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VOLUME II

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Rev. H. RASHDALL

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POOR RELIEF IN ITALY.

I.

IT is curious to note that in England, the country in which legal charity has from the first been largely practised, the country in which the organization of poor-relief is even now more solidly and strongly established than anywhere else in Europe, theories have arisen and taken firm root which, in the name of a misunderstood Positivism and of Malthusian prejudices, condemn as injurious every form of State help whatever.

The classical Malthusian theory does not correspond to facts, and population depends upon very different laws from those laid down by the English sociologist. History and experimental science prove abundantly that the famous laws of arithmetical and geometrical progression are only two unverified hypotheses, and that population has natural limits, while, on the other hand, production is capable of indefinite increase. Take any period in history and try to apply the laws of Malthus. In the four centuries between 200 and 500 A.D. can it be said that the population of Europe multiplied itself rapidly? And can it be said that the means of subsistence had increased in arithmetical progression, or, indeed, that they had increased at all?

As to the Darwinian theory, it remains true in the animal world; but applied to human societies, applied as Spencer has sought to apply it, it has no better foundation than the Malthusian theory. In a work which I shall shortly publish, I hope to prove abundantly that Darwin's theories, when applied to civil societies, lead to conclusions very different from those at which Spencer has arrived too hastily and under the guidance of political prejudices which he himself energetically condemns in his admirable *Study of Sociology*.

In Italy there are very few writers who are frankly indi-

vidualistic, and it must moreover be recognized that their efforts have been and are entirely without practical results. To us the word "poor" is not generally, as in the United States of America, coupled with the idea of "weak" or "worthless" or "improvident." The social causes of misery are far more general and operate far more strongly than the individual causes. Workmen reduced to pauperism by economic crises, by a fall in wages, by a change in the demand for commodities and consequent ruin of their several industries, by the substitution of machines for human labour, by accidents and diseases resulting from their work, are far more numerous than workmen ruined by unwillingness to work.

To prove this, one must study the conditions of the peasantry of southern Italy. In few parts of the world are those who work on the land so frugal, so hard-working, so accustomed to suffer by long ages of oppression. The agrarian contracts of the south (which I propose to consider in another article in this *Review*), and which are often far more unjust than the agrarian contracts in Ireland, are among the foremost causes of the wretched condition of so many working people. If it were not for the mildness of the climate and their frugal habits they could not live and work as they do. A whole class of small proprietors, having an annual income of scarcely 1000 *lire* [1] (£40), and yet living in absolute idleness, only occupied with the paltry struggles of their communes, grinds down with singular doggedness the wretched class of agricultural labourers. Many of these labourers die every year of malarial fevers, malaria reigning supreme in the country districts of not a few southern provinces. An increase in the number of hospitals and a gratuitous distribution of quinine and food to these obscure martyrs would be sufficient to prevent thousands of human lives falling victims every year to their own toil and their own wretchedness. Here is a case where the most enthusiastic disciple of Malthus could not possibly apply his theories. I am speaking of workmen who are young, strong, frugal, docile,—of people accustomed to the hardest work and the hardest suffering, of

[1] The *lira* = the franc.

people who have not even a remote knowledge of expenditure on luxuries, and who are perishing simply through their wretched condition and because human society fails in the duty of assistance towards those who are in need of it. If natural selection in human society were of the same kind as among the animals, so many vigorous beings would not perish thus miserably, killed only by economic causes. Besides, among the animals the weak die; while in human society such rapid elimination of the unfit does not commonly take place, and they continue to procreate offspring weaker than themselves; this is no small impediment to the general progress and improvement of the species.

The adoption of a Jacobin point of view has led in our age to the work of the Catholic Church being greatly calumniated. But the impartial historian sees at once how the social activity of the Church in the Middle Ages was profoundly beneficial. There are, indeed, even to-day, many things unjust and mischievous in the social organization of Catholicism. But it must be recognized that in the Middle Ages, at a time in which society was divided up into an infinity of different classes—like a Chinese puzzle,—the Church was the only institution that welcomed really democratic ideas. The fierce Lombard feudatory kept the labourers attached to the soil like beings of an inferior species. But the Church opened her arms to all; and it happened not seldom that sons of labourers, entering a monastic order, arrived finally at the highest rungs of the social ladder, and could treat the proud feudal lords as equals, or even as inferiors. The English Pope, Adrian IV., was the son of a poor peasant. Sixtus V. was of the humblest birth; and thousands of princes of the Church had not less democratic origins.

One must also observe that the Catholic Church has been, perhaps, the first body to recognize and to proclaim the social duty of poor relief. Even when the Church had lost its primitive communist character, even when, through social necessities it had to defend the system of private property against the radical tendencies of the Franciscans, it did not cease to consider the relief of the poor as a "legal obligation." The poor-relief

of the Church was not founded on the mere voluntary charity of the faithful: on the contrary, according to the magnificent phrase of St. Thomas Aquinas, it was a true "*debitum legale.*" The rich were obliged to give to the poor: what matter that the compulsion was religious instead of being political?

In an age when force was the universal arbiter, there cannot be a doubt as to the great social utility of the religious orders. When the Church possessed a great part of the land of Europe, there was a marked difference between the organization of baronial and of ecclesiastical possessions. Those who lived on land belonging to monasteries were not troubled by forced services, nor by lordly oppressions, and, as a rule, led a freer and less burdensome life than those who dwelt on baronial estates. In general, it may be said, that more than a third part of the tithes of the Church was destined to the maintenance of the poor. The whole of Italy, through many centuries, abounded in rich and flourishing conventual establishments; and the poor of every district were assured that the monastery would never refuse soup for their daily sustenance. Besides, the monasteries themselves represented a considerable part of the population. The friars, especially those of the Franciscan orders, were almost all poor people, who had embraced the monastic life in order to provide for the morrow. Every convent contained, besides the friars, a certain number of *conversi, fratelli,* etc., *i.e.* persons who had not taken holy orders, but had adopted the monastic life. And there were persons little adapted to the struggles of the world, who found a safe refuge in the convents.

Nevertheless, the immense gifts made every day to the Church, the concentration of property, the opportunity which the monastic life gave of escaping the burden of work must necessarily have produced, and will continue to produce very great evils in Italy. In the kingdom of Naples alone, with a population which in 1786 scarcely amounted to 4,800,000, there were more than 100,000 ecclesiastics, among whom were 13,520 monks. In 1769, in this same kingdom of Naples, the rents of Church lands came to a sum of 6,373,000 ducats[1] per

[1] A *ducat* = 4¼ francs.

annum. According to Galante, not less than 524,000 ducats pertained to bishops and prelates; 160,000 to 800 endowed churches; 740,000 to 3,700 parishes; 180,000 to 9000 chaplaincies and benefices; 580,000 to about 14,000 religious institutions, which provided more for the maintenance of churches than for that of the poor; 80,000 to the Knights of Malta, and more than 4,000,000 to monasteries of friars owning property.

The Church, which in the Middle Ages had been profoundly beneficial in its social activity, had gradually lost the idea of its mission; and with the immense mass of its possessions, with the tens of thousands of persons whom it condemned to idleness, it exercised a disastrous influence on the economic condition of the country. With the growth of population, the burden of the convents became more and more insupportable. Hence the abolition of the monastic orders, though it was effected at a stroke and appeared a Jacobin measure, had become an economic and moral necessity. It is easy to understand that, when population was scanty and the country unsafe, the convents which sheltered in their walls so many recluse students, which entertained travellers, which diffused culture, which defended their dependants from the persecutions of the barons and looked after the sustenance of the poor, represented a civilizing element. But when the monastic population grew beyond limits, and the property of the convents, being exempt from taxation, stood in the way of the development of trade and impeded the progress of agriculture,—when the friars were no longer, as in the Middle Ages, elements of peace and concord, but had, on the contrary, become parasites that lived mainly at the expense of the body social, then their suppression became a necessity. And from last century onwards, even bigoted kings like Charles III. of the house of Bourbon did not fail to oppose the growth of convents, many of which had become receptacles of idlers and often even asylums of brigands, as was the case with several which Charles III. was obliged to suppress.

The Catholic Church, though still regarding the assistance of the poor as a duty, a *debitum legale*, did not choose to employ any except religious compulsion. From day to day, through the

powerful help of the Church, there arose all over Italy charitable institutions, intended to succour the needy, to tend the sick, to maintain infants and orphans, etc. These institutions increased to such an extent that they became at different times the cause of mischief rather than of public utility. Capital, instead of being invested in industry and trade, came generally to be invested in works of charity, especially in the southern provinces of Italy. These charities ended by making people improvident and careless, and large numbers gave themselves up to idleness, with the certainty that in the evil day they could find food by merely presenting themselves and asking for it at the gates of these numerous religious institutions.

The late Professor Cecchetti, of the Venetian Records' Office, published, some years ago, some statistics from which it came out clearly that a third of the population were inscribed on the registers of charities. He concluded that this had only increased the number of beggars to the great injury of the famous city of the Doges, which owed its decay, in no small measure, to this very cause. In 1820, the so-called lay charities (*opere pie laicali*) of the city of Naples alone had an income that might be valued at more than 1,600,000 ducats. Of all these forms of relief the most dangerous, and that which most injures public morality and tends to develop idleness, is almsgiving. The Catholic Church does not attach the idea of humiliation to the receiving of alms: thus, disposing as it did of an enormous income, instead of providing work for those who needed it, instead of developing the sentiment of self-respect in those whose moral education was defective, it ended by sinking them still lower through its system of almsgiving. At the gates of some convents assembled troops of idlers, beggars by profession and often children of beggars, who rather than work were content to live on the charity of the friars. Some large abbeys maintained as many as two hundred paupers, as I myself have seen it stated in the registers of monasteries which I have examined.

The charitable institutions (*opere pie*) entrusted to priests had before 1860, except, perhaps, in Piedmont and Lombardy, a distinctly religious character. Founded through the legacies of

pious persons, increased by gifts and bequests made often with the sole purpose of saving the soul of the testator, they were of very different kinds. Some had a purely charitable purpose. The annual income was spent in support of the poor and sick, in sums intended to form the dowries of poor girls, etc. Others had a more distinctly religious character: they served to help poor boys to be trained for the priesthood, to provide the dowries of nuns, etc. Others had rather civil objects in view, such as infirmaries, foundling hospitals, schools, etc. Some others gave expression to the bigotry rather than the philanthropy of their founders. Thus, at Naples, there was one foundation, the convent of the "Buried Alive," where ladies, disillusioned or weary of the world, or longing to end their days in the mortification of the spirit and the suffering of the flesh, withdrew to live a poor and wretched life. In general, most of them, founded in distant times, did not any longer correspond to the character of our age, and required radical changes in order to serve social ends conformable to modern civilization.

II.

When, in 1860, the political unification of Italy was in great measure completed, the necessity was felt of introducing radical internal reforms. The charitable foundations were a dark and tangled forest which no one dared to meddle with. According to statistics compiled at that time, the charitable institutions of all Italy (except, of course, the Venetian province, still under Austrian rule, and Rome, still governed by the Pope) had a gross patrimony of 1,032,206,063 Italian lire. Many of them did not correspond to the needs of modern times. Put under the guardianship of the clergy and of old families, connected with ancient customs and often also with local prejudices, their provisions dependent on old testamentary deeds, they were ill adapted, not only to a radical reform, but even to an inquiry on the part of the government. Many charitable institutions, founded by religious persons for philanthropic purposes, had disappeared, and their property had, in many cases, been taken possession of by old noble families. But the Government was

afraid to have recourse to too energetic legislation, which would undoubtedly have exasperated the religious conflict and disturbed not a few private interests.

Thus, from 1860 to 1862, the Piedmontese law of 1859, which kept Government interference within narrow limits, was applied to the whole of Italy. Nevertheless the Government did not use even the powers which the law gave it, and only concerned itself with collecting information, letting things stand as they were. In the mean time, even without making any radical innovation, even allowing charitable institutions to subsist, which had no longer an object and which spent large sums in objects of very little use, it was still necessary, at least, to introduce a uniform system of law. The law of 1862, which was an outcome of the general recognition of this need, had two aims in view: (1) to unify the law about charities throughout the whole of Italy, and (2) to free charitable institutions from Government management and leave them to themselves, with confidence in the "system of liberty."

Nevertheless, the "system of liberty" never proved a greater failure, and the abuses were such and so great that publicists and writers of note occupied themselves with them repeatedly, and gradually prepared the country for that radical reform which was brought about in 1890 by the efforts of Signor Crispi. When removed from Government superintendence, the charitable institutions had become a mere prey to the spoiler, and were frequently the cause of a sort of inverted socialism, and much capital was trafficked away without any benefit to the poor. The charitable institutions of the country districts, far from the great centres, when deprived of all superintendence, became the arena of all local struggles, and frequently served for mere personal ends or the purposes of party. Priests, who were left poor by the alienation of so much Church property, and monks, whom the suppression of their orders had often induced to become priests, found nothing else to live upon except the charitable institutions. These foundations, which ought to have served to help the sick, the poor, the widowed, served, on the contrary, in the majority of cases, to support young seminarists

of the middle class who were preparing for the priesthood, to aid in defraying the expenses of religious worship, to restore churches, to pension old priests, etc. Nor did the middle-class managers prove more careful of the public good, or more tender to the sufferings of the poor. They took advantage of them for personal ends, *e.g.* to help themselves in administrative contests, to obtain the means of electoral corruption, or even to support their own sons. Improbable as it may seem, it happened not infrequently that charitable institutions, intended for the poor but administered by the rich, served to maintain the sons of the syndic or of communal councillors during their university career. At Milan the "Congregation of Charity" supported the son of the rich Radical deputy Marcora.

The charitable institutions in the towns, besides keeping up a large number of officials, who were mere pernicious parasites, often served electoral purposes. At Naples it used to be said, and is said still, that, in administrative elections, the party wins which is at the head of the charitable institutions.

Further, nothing could be more immoral than the manner in which, as a rule, especially in small country places, relief was doled out. Science and experience have proved that poor relief must be adminstered with great circumspection, in order not to do mischief. As far as possible, almsgiving must be avoided which would degrade the recipients. To be useful, relief must be administered to infants, the old, the blind, etc., by means of asylums, hospitals, etc. The able-bodied poor, who are out of work, should perhaps have workhouses with freedom of entry and departure. Beggars and tramps should be compelled to work, perhaps in workhouses of a different kind, where it might be possible to detain them for a certain time, and exercise over them in this way a regenerating influence. Temporary paupers or indigent travellers should not receive help in money. Without absolutely excluding outdoor relief, it is necessary, according to the excellent system adopted in Elberfeld, that such assistance should not be given in money but in kind, *e.g.* soup-tickets, or clothing given directly; and such help should never be given without minute inquiries. On the other hand, with

us in Italy, in all parts of the country, charitable funds have been, and still are, to a great extent, distributed without investigation. The administrator, or administrators, bestow relief according to their own good-will or liking. I have frequently observed that, in some charities, the administrators have given considerable sums from the fund intended to dower poor girls not only capriciously but immorally; such sums served sometimes to pay their mistresses. This may sound improbable; but I have been able to satisfy myself of the fact. Sometimes the so-called dowries of girls amounted to only ten lire, *i.e.* eight shillings. Besides, very often, especially in the country, there was no idea of relief, except in the form of alms. Even when the administrators were honest persons, they bestowed money without discretion, and often did more evil than good.

In many communes regular crowds of idlers, of feeble old men and poor women, collected at the doors of the charitable societies demanding their daily alms. The moral evil which resulted from this, and still results, although in a less degree, is enormous. Nobody scrupled to apply to the society, although without urgent and absolute need. A few days' illness, or even a mere difficulty in getting work, sufficed to make the workman believe that he had a right to demand maintenance from the society. In many country districts, where there existed considerable charities, I have seen old peasants, who have become unfit for work, ask support from charitable societies rather than from their own children, who were bound by law and morality to give it. There is nothing more obligatory or more useful than relief administered with loving thoughtfulness and with sound discretion; nothing more injurious than relief badly understood and badly administered.

The expenditure of charitable institutions and societies, managed without discretion, proves how much harm has resulted from the non-intervention of the State and the slight control exercised by the local authorities. In a small commune in the province of Salerno, which had about 1500 inhabitants, there was a charitable society with an annual income of 8,660 lire, 76 centesimi. I was able to examine their accounts. Every

year 3,144 l. 49 c. were spent in taxes, dues, provincial rates, and in subvention to two priests; 2,189 l. 50 c. in the salaries of the secretary and treasurer; 360 lire went to support two seminary students who were sons of well-to-do fathers; 291 l. 58 c. for the dowries of poor girls: 285 l. 21 c. to subsidize a school attended only by the children of persons in easy circumstances. There thus remained for the poor scarcely 2389 l. 98 c., *i.e.* a little over a fourth part of the income. Moreover, in that commune the 2389 l. 89 c. were spent with a view to the elections rather than with a view to charity; and were distributed without any discretion. It was nothing but a school of degradation and beggary.

In 1877 the director-general of public charities (who is attached to the ministry of the interior), Evandro Caravaggio, published a collection of statistics which made a very great impression, and was a primary cause of the legislative reforms lately carried. Caravaggio proved that in 1874 there were 3218 charitable institutions which had not even a list of their property, 5038 which had not balanced their own books, 2226 which had not a treasurer, 5038 treasurers who had not given the securities required by the law, 28,000 accounts not presented, and 13,700 accounts not approved by the provincial commissions (*deputazioni provinciali*).

The expenses for worship taken from charitable funds represented, in 1880, 7·71 per cent. in the whole of the kingdom. They ranged from 2·63 per cent. in Venetia, and 2·99 per cent. in Piedmont, to 20·69 per cent. in Abruzzi, 31·26 per cent. in Campania, and rose to 35·79 per cent. in the province of Rome.

There were many institutions, in strict truth, useless, and too strongly influenced by the prejudices and the circumstances of the times in which they had their birth. There were refuges for travellers, hospices for catechumens, dowers for nuns, etc. Thus a radical reform of charitable institutions seemed and was undoubtedly necessary. Several commissions were appointed in succession to study the necessary reforms and draft a scheme of legislation. Many years, however, passed without any definite result, and the reform only came about with the

passing of Signor Crispi's law of July 17, 1890,—a law which was strongly opposed by the Catholic clergy, and which even in the Chamber aroused many antagonists, but which, taken as a whole, introduces very useful democratic changes.

III.

Crispi's Act begins by instituting in every commune of the kingdom a charity-board (*congregazione di carità*), under whose management all charitable institutions are concentrated. The Act defines "charitable institutions," as those which have for their object, in whole or in part—

"to give help to the poor, whether in health or in sickness; to provide for them education or instruction, or training for any profession, art, or trade, or to bring about in any other way their moral or economic improvement" (art. 1).

The charity-board, to which in every commune is entrusted the administration of these institutions, is composed of four members in communes which have a population of less than 5000; of eight in communes which have a population of 5000 to 50,000; of twelve in those above 50,000 (art. 5). Women, if married, may be members of the board; but, on the other hand, clergy, having the cure of souls, are excluded, as also the officials, those who are not qualified to be electors, etc. The members of the board are elected by the municipal council. The charity-boards and charitable institutions may employ salaried officials, only when the amount of their income and the importance of their administration require it. But the appointment of such officials is subjected to very stringent rules. Charitable institutions of less importance and the charity-boards, when they require it, may avail themselves of the help of the officials of the commune (art. 31).

All public charitable institutions are placed under the superintendence of the provincial administrative council (art. 35). Not only are the estimated budgets, the accounts of expenditure, and the accounts of the treasurers and collectors subject to the approbation of the provincial administrative council, but also the contracts for acquisition or alienation of real property, and

the acceptance or refusal of legacies or gifts, the letting or taking of property on leases of more than nine years, resolutions which concern alteration or diminution of property (art. 36).

Further, the political authorities must, according to the laws, exercise the most extensive control over charitable institutions and in every prefecture the prefect appoints a councillor who has special superintendence over the institutions of the whole province. All institutions for the bestowal of alms are merged in the charity-boards. Certain philanthropic institutions, however, are not under the charity-boards and have separate administrations, viz. all kinds of institutions for infants at nurse, foundling hospitals, asylums and other institutions for children, infirmaries and lunatic-asylums, hospitals for the aged, reformatories and houses of detention or correction, and such like (art. 59).

In view of the uselessness of so many charitable foundations which no longer fulfil their purpose, the law makes it possible to alter them in accordance with the needs of the present day. Article 70 says expressly—

"Institutions coming under this act, which do not fulfil their purpose, or which have a purpose no longer comformable to any interest of public beneficence, or which have become superfluous through their object being otherwise provided for, may be altered. The alteration must be made in a way which, while deviating as little as possible from the founders' intentions, is agreeable to the existing and permanent interests of public beneficence in the provinces, communes, or sections of communes for which the institution was intended."

With regard to the question of domicile, Crispi's Act considers those persons to be domiciled in a commune, who have resided in it for five years, or who were born in it, or who, although born elsewhere, have taken up their residence in it (art. 72).

Every charity-board or benevolent institution which does not obey the requirements of the law may be dissolved by a decree of the king, acting in accordance with the decision of a Council of State (art. 46). In such cases the Government appoints a royal commissioner, empowered to carry on the administration for not more than three months (art. 47).

Another innovation, sufficiently radical in character, is that of

popular initiative (arts. 32, 83), which, if surrounded with due safeguards, cannot fail to produce good results. These clauses, to which I refer, provide that every citizen may raise a judical action in the interests of the institution or of the poor for whose benefit it was intended.

A law proceeding from such principles and shaped according to such ideas could not fail to arouse much opposition on the part of the Catholics and the Conservatives. They began to say: "Can we violate the wishes of the pious founders? Have we the right to suppress or alter their foundations? Has Government the power to make radical changes in so many institutions, because they are no longer in accordance with the needs of the time?" Those who spoke in this way were the most implacable adversaries, attacking, as they did, not merely the form but the spirit of the legislation. Signor Villari put the matter very cleverly:—

"When it is said to them, 'Look at the French Revolution, which in one day laid its destroying hand on all the charitable institutions of the country' they answer, 'But that was a revolution.' When the example of Peter the Great, Leopold of Tuscany, and so many reforming princes is quoted, they answer, 'But they were tyrants.' And if one pointed out to them that even England has made so many modifications of this sort, they answer, 'But that is England!'"

Beneficence, however, is a social duty: charitable institutions cannot be considered merely from the point of view of private law. They are matters of public concern, and hence subject to the requirements of the time. And it would be ridiculous to maintain that, out of a supposed respect to the wishes of persons who died several centuries ago, the poor of to-day should be left to perish of hunger. If a generous donor, at a time when astrology was believed in by the scientific men of the day, had left a million pounds sterling to promote the study of astrology, should you think yourselves bound to maintain an astrological institute? should you persist in refusing to change it into an astronomical institute?

Another provision of the Act which offends, and cannot but offend, Catholic sentiment is the exclusion of the parish priests

from the charity-boards. But, although one may have no prejudices against the Catholics (and the readers of my book on *Catholic Socialism*[1] know that I have always been fair to them), it must be recognized that this provision as to the parish priests was necessary. For many years, and in very many countries, they have made the money intended for the poor serve to defray the expenses of worship or of religious propagandism. "Charity," say the Catholics, "is nourished by the religious sentiment. You wish, on the other hand, that benefactors should always belong to that class of persons who do not go beyond earth in their thoughts, who do not act from worldly vanity, nor in the hope of a future recompense. But these Stoic philosophers you are dreaming of do not exist, and, if they do, they are persons who usually have not got any money." All this, however, is not justified by the facts, and the exclusion of the parish priests from the charity-boards is a matter of small importance, especially as they may be on the board of every philanthropic institution other than these charity-boards, and even on the committees for distributing relief appointed by the charity-boards. It is obvious that the question did not by any means deserve the honour of so much discussion, and of such wrath on the part of the Catholics; and the references which the Pope made to it in one of his discourses and the many protests of the bishops had an essentially political aim.

The question of "settlement," which has given rise to so much difficulty in England, has not been solved by the Italian law of 1890. Since labourers out of work are compelled to wander about, why not help them at the times when they are in need of help? It is true that the Italian law of public security permits us to make them return to their native place: but is not that a violation of personal liberty, and does it not lead to the restriction of a just right? It must be kept in mind, however, that we have nothing like the English organization of poor-relief: with us poor-relief is optional, and certain measures, however just, could not be introduced.

Another innovation which excited much opposition was that

[1] [Noticed in this *Review*, July, 1891.—Ed.]

of the right conferred, in Roman fashion, on every citizen of initiating judicial proceedings against the administrators of charitable institutions, in order to protect the rights of the poor. The Conservatives said, that in this way every demagogue would be able to make himself the echo of the clamours and of the ill-will of the market-place, and would take advantage of this power to stir up hatred and bad feeling. But this objection was not better founded than the others. What right is more just than that given to every citizen of safe-guarding the patrimony of the poor from the greed or injustice of unscrupulous administrators? Besides, the law surrounds the exercise of this right with such precautions that it would not easily serve as a weapon of private spite or vindictiveness. Until this right of legal action was created, the people could believe any one who asserted that the administrators of charities were wrongfully spending the money intended for the poor. But now any one who makes unfounded accusations without availing himself of the weapon that the laws put in his hands, will be treated with distrust as a charlatan or a libeller. Far from embittering the relations between the poor and the wealthy classes, the institution of this right is an excellent means to do away with mischievous misunderstandings and dangerous and often unjust suspicions.

Looked at as a whole, the Italian law of 1890 marks a noteworthy step forward. If we take into account that private charitable endowments are a particularly difficult subject for legal reform, it may be said that Crispi's Act has been drafted and thought out with democratic aims and with statesmanlike circumspection.

IV.

Italian charitable institutions may be divided into two main classes. The one includes all the institutions possessing an asylum, or house of some such kind, in which the poor can be received as inmates; the other those for bestowal of charity and, in general, every kind of benefaction not arranged in the form of an asylum.

After 1860, the contest with the Church had as its result that the priests have not interested themselves in the growth of charitable institutions. The clergy almost always ask only that the faithful should leave sums in trust to the bishops and to the parish priests. Nevertheless, the property of charitable institutions has kept on always increasing; thus, whilst in 1861 the gross income was 79,175,470 lire, it has almost doubled itself in twenty years, amounting in 1880 to 135,441,504 lire. Nor in spite of the fact that the clergy have preferred to patronize the cause of legacies in trust to bishops and parish priests, have the bequests and donations to charitable institutions at all diminished since 1880. From 1880 to 1889 not less than 154,281,429 lire have been bequeathed to existing institutions, and 820 new foundations have been established with a capital of 67,659,576 lire. The hospitals had increased their capital by 53,323,214 lire, the poor-houses by 16,148,045, the orphanages by 15,752,980, the children's asylums by 14,811,351, the charity-boards by 11,824,863, the societies for bestowing alms by 10,599,489. From these figures it may be seen very well that the ideas of the donors become less ecclesiastical and more adapted to the character of the age. While at first great part of the sums given or bequeathed were intended to maintain pilgrims, catechumens, etc., to provide dowers for nuns, and to help poor youths to study for the priesthood; now, on the other hand, such things as infirmaries, children's hospitals, asylums, etc., are the more usual objects of benefactions.

The bestowal of alms is generally managed badly enough. In some districts small sums of money are distributed directly, sometimes less than a single lira; and often he who distributes the alms does not know whether the recipient is a deserving person or is only a common beggar. In 1887, in the whole peninsula, 10,995,425 lire were distributed by the almsgiving charities as poor-relief, to 769,709 persons. The English reader will perhaps be astonished at the small amount of the relief, and the large number of paupers. It must be kept in mind, however, that the 769,709 persons who received relief were in great part honest labourers. It often happens that, especially

in the country districts, where *pellagra* and malaria are rife, even the most hard-working labourers are compelled through sickness or other causes to seek relief. But, when they are restored to health, they at once take to work again.

The hospitals, which have an annual income of 28,362,569 lire, are perhaps too few, and all concentrated in the large towns. Hence the rural population has no advantage from them, and prefers to turn to the almsgiving charities.

The law of 1890, which orders the revision of all endowments for the distribution of dowries to poor girls, might with small loss have suppressed them altogether. As a rule, the dowries are bestowed without any investigation, and almost never exceed 200 lire, going down to 28 lire, even in Milan, and to 10 or 15 lire in some rural communes. If in the country, where the population is frugal, the dowry may be useful in providing the new household with the most necessary furniture; in the towns the little dowries, assigned for the most part at haphazard, do more harm than good. Even if it were not considered desirable to suppress these benefactions altogether, a minimum should have been fixed, or, in other words, the amounts should have been increased and the number diminished.

V.

Any one who has studied the question of poor-relief sees at once that there is a fundamental difference between Catholic and Protestant countries. Italy, France and Spain have recourse more readily to the voluntary contributions of pious persons. The State does not believe that the duty of relief is incumbent on it. Protestant countries, on the other hand, for a long time past, have considered poor-relief, not as an outcome of the sentiment of charity, but as the practical expression of a social duty. From the time that the causes of poverty are rather social than individual, society comes to the assistance of the poor; their relief becomes then a service of public utility, and is not humiliating for the poor who are benefited by it. The English poor law and the German system of compulsory

insurance follow from the same principle, and are the outcome of the same leading ideas.

Which of the two systems is the better? The system of voluntary relief has been too much praised, especially among the Economists and the Catholics. But any one who studies the facts calmly sees that it is not suitable to the social needs of our time. The moralists say that it is far better for charity to come from the impulse of the heart, and the economists too ingenuously repeat this idea, bringing forward, besides, economic reasons more or less insufficient. On the contrary, the voluntary system, which we have tried for a long time, is condemned alike by science and experience. Founded on the idea of charity, it is not regulated by the strict and impartial principles of social duty. Whereas conditions change through the progress of time, the property of charitable institutions changes for quite different reasons; in other words, the capital of charitable institutions does not necessarily increase with the growth of population and of wealth; for, as the distinguished Italian economist, Carlo Francesco Ferraris well says, they cannot have recourse to taxation, and hence do not adapt themselves in any way to the rapid alterations in the social environment. Being only able to count upon means provided at haphazard, their work is unorganized and unsystematic.

"Poverty increases," said the ministerial report on charitable endowments, "in continually growing proportions, and the intervention of legal charity becomes continually more imperatively necessary. This already represents an expenditure of 40 million lire for the communes and 20 millions more for the provinces."

A few figures will, I am certain, suffice to prove that the system of voluntary relief is infinitely inferior to that of State relief. In a well-ordered State, poor-relief is particularly required for those districts which, owing to inclemency of climate, infertility of soil or other natural or social causes, are in greater need of it. Wealthier districts, or those more favoured by fortune, make sacrifices for those less favoured. Under the voluntary system the very opposite is the case; for donations and legacies to charitable institutions are more frequent in the

large towns, and generally in the wealthier districts. In 1885 the chief towns of provinces or of districts with scarcely 7 million inhabitants, out of the 30 millions in the whole kingdom, received three-fourths of the income of charitable endowments. Thus, whereas in important communes there were spent 902 lire per annum for every 100 inhabitants, in the rural communes scarcely 82 lire were spent. According to a careful essay by Professor Ferraris, in 1885 there were in Italy 1184 communes provided with hospitals, while 7159, *i.e.* 87 per cent., had none. And the number of hospitals was least just in the poorest and most unhealthy districts. Thus, while in a healthy province, like the Marches, 40 communes out of 100 had hospitals, in districts scourged by malaria and pellagra, the number of hospitals was scanty. Out of 100 communes in Basilicata 8 had hospitals; in Lombardy, 7; in Abruzzi and Calabria, 5; in Sardinia scarcely 3.

The communes without endowments are just the poorest and the smallest. The large towns absorb almost everything. Thus, in 1885, the city of Turin with 253,000 inhabitants, spent 5 millions out of the 13 spent by the whole of Piedmont, with over 3,070,000 inhabitants; Milan, with 322,000 inhabitants, used 5 millions out of the 16 belonging to the whole of Lombardy, with its 3,681,000 inhabitants; Venice, with 133,000 inhabitants, absorbed 3 millions of the 9 belonging to the Venetian province, with 2,814,000 inhabitants. The same sort of thing was the case throughout the rest of Italy.

In the more prosperous and fertile districts of Italy, the ratio between the entire net income of charitable institutions and the number of the inhabitants is sufficiently high. According to a recent statistical publication of Bodio, the distinguished director-general of our official statistical bureau, the ratio was 5 l. 65 c. per head in Liguria, 4 l. 93 c. in Piedmont, and 4 l. 92 c. in Emilia, industrious and wealthy provinces. The agricultural districts, scourged by poverty and malaria, are much less fortunate. In Sicily the proportion per head was only 2 lire; in Abruzzi 73 centesimi, and in the very poor and very backward Calabria only 53 centesimi.

Only when public relief can draw upon the taxes can it have that character of universality and adaptation which is necessary to it. In Italy, it comes about that in the poorest districts—just those in which, through excessive wretchedness, the peasants are compelled to support themselves on bad food, and in which the average of life is very low, and that of emigration very high—in these very districts the public relief of the poor is wanting. The State is and ought to be the great compensator. No small part of the public income is spent to benefit unhealthy places, to assist the colonization of lands still uncultivated, to ameliorate the hygienic conditions of infertile and insalubrious provinces. This is only a great sacrifice which, in the general interests and for the general improvement, the State imposes on the richer districts for the advantage of the poorer and less fortunate.

The system of voluntary relief prevalent in Italy is only a survival of old mediæval institutions. We have endeavoured to transform it, but it always remains infected by its original sin. In the Middle Ages, when feudal society was composed of a series of relations of lordship and personal dependence, which began with the sovereign and went down to those who formed the lowest classes of society, there naturally could not exist the idea of poor-relief founded upon human personality. The State had no other interest except to maintain intact the hierarchical order, according to which the social structure was arranged. The weaker was sometimes assisted by the stronger, because it pleased the latter to give him assistance, either from religious motives, or from reasons of economic convenience. The material and economic life of the people and their intellectual and religious life went on separately, as if they had not formed parts of a single whole. Charitable institutions, such as asylums, hospices, refuges, were not the outcome of a society conscious of its own evils and desirous to remedy them; but of impulsive bodies of a religious character, like the guilds and the Catholic Church.

We have only the relics of these old institutions. Still, up to 1890, that is up to the date of Crispi's Act, the State has made

the mistake of considering them still as charitable institutions, recognizing their corporative autonomy. And it is only with the law of 1890 that it has taken on itself to change their arrangement and purposes, holding that relief must be considered as a social duty, and an institution of public, not of private, law.

VI.

Besides the so-called charitable institutions, which must be considered as ancient foundations of private origin, which the State has reserved to itself the right to transform according to the needs of the time, Italy has hardly any other law which considers in a broad way the grave problem of public poor-relief, none which can give even remotely the idea of a poor-tax. On the contrary, instead of having a tax *for* the poor, Italy, incredible as it may seem, has a tax *on* the poor,—I refer to the lotteries—a real tax on the poor, which brings to the State treasury a gross income of 75 millions, more or less, and which is levied on the superstition and ignorance of the poorer population. No country in the world possesses an institution more hateful and more anti-social than the Italian and Austrian lotteries, in which the State defrauds the poorest class with complete consciousness of the fraud and contributes to implant in the people the disastrous belief, that fortune comes far more from chance or from miracle than from work. And the State, which has raised 75 millions per annum from the poorer classes, has refused, even in years in which the public finances were more flourishing, to relieve the property of public charitable institutions of the 15 millions of taxation which burdened them not a little.

It must not, however, be overlooked that in some Italian laws there are several clauses which concern public relief. Art. 203 of the Communal and Provincial Law puts among the compulsory expenses of the provinces that of maintaining poor lunatics. By art. 271 of the same law, the provinces of the communes are charged with the maintenance of foundlings. The provinces alone, during the year 1889, spent for the maintenance of foundlings and of poor lunatics not less than 17,322,859 lire, and the communes spent in the same year 22,076,391 lire on public

charity. The communal expenses under this head have continually increased. Whilst in 1871 they were only 4,204,421 lire, they have risen from year to year, and since 1883 they have always surpassed 20,000,000 lire per annum. Art. 80 of the Law of Public Security of June 30, 1889, forbids begging in the communes where there are poor-houses. And art. 81 of the same law enacts :—

"Wherever there is not a poor-house in the commune, or where that which exists is insufficient, the penalties established by the penal code shall be applicable to every one who, not having caused a declaration to be made to the local authority of Public Security that he is unfit for any kind of work, is detected begging in the places noted in the preceding article. Persons considered by the local authority of Public Security unfit for any kind of work, destitute of means of subsistence and of relatives obliged by the law to supply aliment to them, are, when they are not otherwise provided for, at the charge of the aforesaid authority to be sent to a poor-house or some other equivalent institution in another commune. For the maintenance of persons unfit for work contributions shall be made, in proportion to their respective property, by the charity-boards of the commune of which the persons in question are natives, by the institutions there established for the bestowal of alms, and by other charitable institutions and confraternities, so far as the incomes of such institutions are not intended for special purposes or for strictly necessary expenditure on religious worship. Should the help of such afore-mentioned institutions not be obtainable, or should it be insufficient, the total or partial expense shall be at the charge of the commune of which the person in question is a native ; and where the said commune cannot bear such charge, without imposing new and greater rates, the expense shall be at the charge of the State."

This article of the law of public security is by no means simple or easy of application. Even in communes where there are poor-houses, beggary is tolerated ; and, especially in Naples and in some small centres of the south, even yet, in despite of the law and to the serious injury of public decency, and, up to a certain point, of public morals, the streets are frequented, particularly on fête days, by regular crowds of beggars, persons either physically incapable of work or morally degenerate.

The Sanitary Law of December 22, 1888, has likewise brought some advantage to the poor. This law, which was carefully

framed with the co-operation of many eminent representatives of Italian medical science, not only attempts to safeguard the public health by suitable arrangements, but prescribes that every commune shall employ a doctor and a midwife, "resident in the commune, and salaried by it, who shall be obliged to attend the poor gratis."

This is the sum total of Italian legislation on the relief of the poor. It must be noticed, likewise, that the sanitary law was passed in 1888, and the law on charitable foundations only in 1890. This progress has therefore been accomplished within the last years, during Signor Crispi's ministry; and to this progress the work of savants and writers has not a little contributed, for they have called the attention of the Government to the conditions of our country. Among them must be named, particularly, Villari and Luzzatti, at present ministers; the deputies Sonnino Fortunato, Franchetti, Panizza, Tommasi-Crudeli; and, above all, the illustrious Carlo Francesco Ferraris, professor of statistics in the University of Padua, who has done a great deal to remove not a few prejudices which certain individualistic schools brought into the field against every social reform.

At the present moment every reform finds singular difficulties in the state of the public revenue. When the revenue is in a much better condition—and that time cannot be far off—it will be necessary to begin by reforming the public finances. In Italy the treasury receives a little less than 600 millions from indirect taxes, which weigh heavily on the consumer and hence react on the workman, and scarcely 100 millions from land tax. Then will be the opportunity to develop more abundantly, and on much more modern principles, the institutions intended for the good of the workers: and then, too, it will be necessary that poor-relief, abandoning at length its ancient character which made it dependent upon charity, and adopting a character better adapted to modern civilization, should become in reality a function of the State, a genuine outcome of a society conscious of its needs and of its duties.

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A PLEA FOR PURE THEORY.[1]

IT is commonly alleged against the Historical School of Economists that they are inclined to disparage theory. Doubtless many of them may have had to protest against crude theorizing, but it is one thing to be critical as to the character and application of current theories, and quite another to disparage it. To this charge I am not willing to plead guilty. I repudiate it altogether. And if I venture to-night to stir the ashes of a burning controversy, it is because there is no other way of trying to set the matter in a clearer light, and no place can be more suitable than such a club as this. Nothing can be more important at present than to reach some definite agreement on the relation of economic theory to the empirical study of economic phenomena. If we can at least understand one another on this matter, we shall have taken a very important step forwards.

It may be worth while to say a word about the standpoint from which I start. I will give you my personal equation. I have been described by Dr. Keynes, and described rightly as I believe, as maintaining views similar to the "doctrines held by the more extreme members of the German historical school."[2] I venture to take up the challenge which was thrown down by Professor Marshall in his Inaugural Lecture, when he commented severely on the "extreme wing of the modern real or historic school of economists."[3] I do not know to whom Professor Marshall was referring, and I cannot of course pretend to speak for them; but I may endeavour to show that one, who has attached himself to this school, who believes himself to be a very extreme man and who is not ashamed of it, is not in the least inclined to

[1] Read before the London Economic Club, October 13, 1891.

[2] *Scope*, 167 n., 200.

[3] *Present Position*, 39.

discard all theories. To formulate a theory is often quite essential for clear thinking,—that I strongly maintain; but I also think that we all need be on our guard against stating our theories in misleading language, or applying them in cases where they are irrelevant. On this last point I shall not touch to-night.

I. If we wish to have a theory of economic phenomena, which shall be capable of the widest possible application, we must be satisfied to assume the simplest elements and to deal with them alone. Underlying all market transactions of every kind, there must be the possibility of exchange; this enters into all the phenomena with which the economist deals. It may be only occasional, or it may be of constant occurrence; but exchange is the fundamental fact, without which value and money, and all the other economic phenomena, could never come into sight at all. Possible exchange is implied in the very conception of value; and a theory of exchange, or a full analysis of the conception of exchange, must enable us to think more clearly about any of the complicated facts of our modern commercial and industrial life. Some such theory seems to me essential. Let us see what a theory of exchange requires.

The elements which are necessarily involved in any exchange are few and simple. There must be at least two persons, by whose reciprocal action the terms of exchange are decided, and there must be at least one object to exchange. If we add that a medium of exchange is requisite to enable us to describe the transaction, if for no other reason, we have enumerated all the elements that demand consideration. The ordinary notion of a bargain, implies the presence of two or more persons who are acquainted with the use of money and who possess something to exchange; this supplies all the elements that are necessary to enable us to construct a theory of exchange. From this starting-point we can proceed to discriminate and analyze every possible sort of exchange that can occur among human beings. It will all be pure theory of course; the individuals who drive bargains must have some characteristics and must live in some sort of social conditions; but these things

do not concern us at present; they are really irrelevant to the matter in hand. From the standpoint of pure theory it does not signify whether the individuals are wise or foolish, whether they are black or white, whether they have free competition or no. All these are mere afterthoughts; in fact it does not matter whether our persons are individuals or not. A town which buys coals from abroad, and then allots them among the ratepayers in any given proportion, is a party to a bargain, and the terms on which it buys coals are susceptible of analysis in exactly the same way as if there had been a bargain between individuals. It does not signify whether the persons are modern Europeans who do not sell slaves, or Vikings who trade in little else; the whole range of commercial transactions among human beings contains these elements, and the theory of exchange is applicable to all.

It may be worth while to point out that this view of the *nature* of the science, which has found much weighty support, involves some little modification of the *scope* of the subject as it is treated in ordinary text-books. The scope of the pure theory will be best seen by considering the range of phenomena to which it applies. Since the time of Mill it has been the practice of economists to distinguish custom from competition, and to speak of the times when custom was dominant as unsusceptible of scientific treatment. But I never could see why. In so far as the transactions of these times were cases of exchange, they must surely be susceptible of explanation by the aid of a theory of exchange that has any pretensions to completeness. Of course the price of beer was not determined in a thirteenth-century town in exactly the way it is now, but the purchase of beer was an economic transaction, it was a transaction of a type that is unfamiliar to us, but that does not excuse the theorist for ignoring it altogether. If our pure theory of exchange has a wide application, it is also true that there are some topics which have to do with material wealth or national resources, and are usually dealt with by economists, which we shall have to leave out of account in the scope of our science. The theory of exchange does not apply to transactions where no true

exchange is involved. Such is the subsistence farming of the peasantry in many countries; such, too, are many of the questions connected with taxation. A tax is not paid in exchange for some definite thing, it is demanded as a right and without any specific equivalent, there is no exchange.[1] So, too, the labour dues and money payments rendered by medieval villeins must be left on one side, not because they were customary, but because there was no exchange; they were a tax rather than a bargain. So far for the *scope* of the subject as I conceive it.

A very few words may suffice to indicate the *form* which, as I believe, economic theory might suitably take. We require an exhaustive analysis of all possible forms of exchange: we might thus discriminate the different kinds of bargains that can possibly take place, so that we might at once recognize any type when we came across it. We might perhaps review the whole most easily if we adopted the standpoint of the seller, *i.e.* of a man who has a possession that another wishes to procure by exchange, and who is willing to part with it if he gets a sufficient inducement. Numerous important considerations may then be grouped round (*a*) the seller, (*b*) the thing sold. A few illustrations must suffice.

a. The seller may only be willing to part temporarily with the object; in this case he *hires* it out. Or he may be willing to part with it altogether, when there is a sale, properly so called. These are both forms of exchange, but they are quite different types. Again, the seller may be possessed of a strict or temporary *monopoly.* It does not matter how the monopoly arose—by his foresight or by authoritative grant from the government, or by some agreement with other sellers. The manner in which this more or less strict monopoly originated is one thing; but the terms which the possessor of such a monopoly will exact rather than part with the article, may be discussed without raising the question at all.

b. The thing to be sold may be of different sorts, which will necessarily involve bargains of different kinds. It may be

[1] The incidence of taxation on the other hand does give rise to economic questions.

something which rapidly degenerates and must be disposed of at once, or it may be something which can be retained indefinitely without loss, like a diamond; it may be a work of art that can never be reproduced, or it may be something that can be easily reproduced, but at an increasing cost, or that can be reproduced at a diminishing rate, and so forth. All such considerations, and many others, may be dealt with in a pure theory of economics, and every possible kind of exchange may be analyzed and described. If need be, mathematical expedients of various sorts may be adopted to exhibit the distinctions between different kinds of bargain. All this will be a matter of pure theory, since there need be no pretence that bargains exactly corresponding to all these different types are taking place, or will ever take place, or that commodities precisely similar to these discussed have ever existed. The theory should exhaust all possible cases, and name every kind of bargain if it is to be complete; and it need never be limited to the actual or to what is empirically known.

These few words may serve sufficiently to indicate the character of a pure economic theory, as I wish to plead for it. If it were so worked out as to give us a complete analysis of the process of exchange in all its various forms, it would be a boon of the greatest possible advantage to the historian. He would have at once a means of naming and discussing phenomena which are no longer actual in the present day, and which are therefore very unfamiliar, but which may have been the prevailing type in some bygone age. The complete analysis of the process of exchange in all its possible forms would furnish him with an organon of the first importance as an instrument of study and with a most convenient terminology for his investigations. However Ricardo's theory is criticised, we cannot but be grateful to him for giving a precise meaning to the term *rent*. Pure economic theory can supply an instrument of study which no investigator could neglect without serious loss. The economic historian must, I should suppose, have his work much simplified for him by the progress of pure theory.

II. In the science as thus suggested there has been no mention

of causes or of laws of causation among phenomena. To my mind the attempt to treat economics as a science of causation has been most unfortunate, and has introduced hopeless confusion. I plead for a pure science. It is not a question of the nature of the reasoning process to be employed as of the true character of the subject-matter of the science. There are persons who criticise the deductive school, and assert that economic argument ought to be inductive. This is not my contention. Deduction from hypothetical premisses may be a most useful instrument of investigation. I should rather hold that there is no valid induction in regard to economic phenomena, and that therefore the deductive process does not give us positive knowledge of phenomena. As a pure science, economics has nothing to do with succession in time, or with "causes" and motives. All these are matters for empirical investigation, to be sought for by empirical methods. The true analogy for pure economics lies with pure logic: while the one investigates the process of thinking and classifies its various forms, so the other investigates the process of exchanging and analyses its different forms. The analysis of either process can go on without any consideration of "causes." In geometry we have another science which analyses the conception of space, and here again causation is irrelevant. But a pure theory of this sort always must seem unpractical and unsuited to this nineteenth century. There are people who call formal logic barren—I have heard them do it; and recent economists appear to be a little ashamed of pure economics. Comte and others have derided mere logomachy,[1] and to my mind the modern theorist is tempted to desert the truly scientific aim of clear thinking and accurate expression, in the hope of accommodating his doctrine to public taste. A plea for pure science is not unneeded. There are three different forms of accommodation which I venture to point out as frequent sources of confusion. (1) There is a tendency to sacrifice clearness of thought owing to the alleged exigencies of popular language. It is worth while to try and give precision to ordinary terms; it is not worth while to sacrifice clearness

[1] *Philos. Positive*, iv., 197.

of thought in man to avail ourselves of popular phraseology. (2) There is a tendency to rely on inappropriate methods of working so as to appear to rival the physicist in the accuracy of his work. From the time when Buckle dilated on the vast intellectual effort involved in grasping Ricardo's theory of rent, and called forth the scathing sarcasm which took his measure once for all,[1] economists have been inclined to marvel at the extraordinary complication of the questions with which they deal. But anything may become complicated if you study it by inappropriate methods. (3) There is a temptation to give room to the claims of sentiment and to introduce ethical considerations, which are essential in attempting to apply the results of our study in practical life, but are not a part of the science itself. Such a combination does not tend either to clear thinking about wealth or to an adequate recognition of the supremacy of duty. For theory that pursues its own work and gives us the means of thinking more clearly I have the highest respect, and the more it is developed the better; but theory that is nervous and self-conscious about its own importance and its own reputation is another matter. When it tries to adapt itself to this expectation and that requirement, it loses its scientific character and becomes a source of confusion; and I certainly am prepared to discard the confused theories of the ordinary text-books. In so far as they are confused, they fail to serve any useful purpose. This is the gist of my plea: economic theory, as a means of clearing our minds and an instrument for investigating phenomena, is one thing, and economic theories, as statements of the results of our investigations, are quite another. My charge against current text-books is that they combine these two in a way which makes it very difficult to disentangle them.

1. Of accommodations to popular language it is not necessary to say much. I believe that we can make no real progress in discussions unless we are at pains to be accurate in the use of language, and to ensure this we must have precise definitions. We may give a clear statement of the content of a notion, and then we know clearly to what it applies. For instance, we may

[1] J. H. Stirling, *Journal of Speculative Philosophy*, ix., 350.

define wealth, as popular usage does, as consisting of material possessions. We then exclude from the meaning of wealth, skill and moral and personal qualities, and so forth. They may be useful, but they are not wealth according to our definition.

But the modern economist does not care to haggle about definitions. He likes to change his definition from time to time.[1] He substitutes a rough and ready classification of things that it is convenient to put together, and applies the term wealth to personal qualities, which are the means of getting wealth, as well as to material objects. This is sacrificing logical definition to popular habits of speech; but it is useless to try to fix a denotation for terms, instead of endeavouring to give a precise connotation, and then the denotation can take care of itself. It is a mere question of evidence as to whether certain things fall within a certain term or not. But if you begin by taking all the things to which a term is loosely applied, and try to find something common to them all, it is no wonder if the result is a loose definition. The effect of loose definition in regard to such a fundamental term as wealth is seen in many ways. Professor Marshall now inclines not to treat personal qualities as wealth, but has no scruple in calling them the "most valuable of all capital."[2] If we do not know what wealth is, then we can attach no definite sense to the word *productive*. This Professor Marshall admits. He cannot discriminate between productive and unproductive labour.[3] Such indifference to precision of language renders close reasoning impossible, unless we use symbols and discard words altogether. If political economy is to serve any generally useful purpose, it must aim at giving more precision to ordinary terms than they commonly have, and at having more reliable arguments.

2. This may seem a small matter, but my next point raises an issue which is quite fundamental. Dr. Keynes plainly asserts that "economics is of necessity a science of cause and effect." (*Scope*, 167.) That is to say, it is a science of relations between phenomena, and relations of succession in time. In our study

[1] Marshall, *Principles*, 103. [2] *Ibid.*, 110, 592.
[3] *Economics of Industry*, 7.

of ordinary phenomena we cannot hope to reach a productive cause so as to specify it; we have to be content with distinguishing an invariable antecedent, ordinary sciences of causation determine the invariable antecedents of certain occurrences. Certain phenomena are the invariable antecedents of other phenomena, and so we call them the cause; and we can state this connection as a law of phenomena, and say that B invariably follows A, and that if the supply of some article is diminished while the demand remains the same, the price will rise. This is what I understand by a science of cause and effect, and in opposition to Dr. Keynes, I hold that economics is not a science of "cause" and effect, but a pure science, like logic or geometry, where this conception of "cause" is not appropriate.

a. It is not appropriate because it is inadequate. The economist must endeavour to grasp at one view "manifold mutual action."[1] Such mutual and simultaneous action cannot be satisfactorily treated by looking at it, first from one side and then from another, as a sort of double causation. Kant has taught us that we must apply a different category altogether, and deal with it as a case of *reciprocity*.[2] But I must not pursue this topic. I have ventured on formal logic, but I dare not ask you to listen to metaphysics. We can examine the question sufficiently from the empirical side.

b. Of course, we are all agreed that it is the aim of the economist to study phenomena, and that he wants to understand the reasons for certain changes in time; he wants to know about wealth, individual or national, and how it is increased or diminished. But to do this with any success, we must break up the complications of social phenomena and isolate a particular group. So far, all are agreed; but here the crucial question comes in. What are we to isolate? We may either (1) isolate economic *phenomena*, and search for the conditions that have brought them about; or (2) we may isolate economic *causes*, and try to follow out their effects. In the former case, we do not need to suppose an unvarying regularity

[1] Marshall, *Present Position*, 31.

[2] *Kritik der reinen Vernunft*, in *Werke*, iii., 104.

of sequence; we can take account of, and try to explain events which are not precisely similar to any other events. We may deal with economic phenomena as generally controlled by the conscious action of human beings—their felt needs, their aims and aspirations; and we can give an explanation of any event, when we detect the reasons to which it was due. In regard to the phenomena of physical nature, this course is not open to us; teleological explanations are lacking in precision in that sphere. Our best course is to observe the antecedent conditions, and to note such of them as are invariable. We cannot get a more complete account of the reasons for any physical change than is furnished thus. But in economic investigation we deal with man as related to physical nature; we can detect the means that influence him even in unique action, and we do not render our explanation more satisfactory by formulating it in the terms of invariable sequence, which are the best we can apply to causation in purely physical spheres. Our mode of procedure may be analytic, or it may be synthetic. Here, as I believe, we reach the very kernel of the difference between the historical school and the normalists, to give my opponents a name which is not, I trust, offensive,—I find they resent it if I call them theorists. The historians isolate a group of facts and try to account for them; the normalists isolate certain motives and measure them, and formulate the laws according to which these motives act. Professor Marshall describes economics as the science of measurable motives.[1] This, let me repeat, seems to me to be the very gist of this difference in treatment; it is idle to bandy accusations of neglecting facts, or of discarding all theory: both facts and theory are needful on either view; but economic theory to the normalist is a theory of economic "causes;" while to the historian it is an instrument for describing and analysing, and thus helping to explain, economic phenomena.

i. Here, then, is a simple question of procedure. What is to be our starting-point? If we begin from events, and work back to the conditions that produced them, we start with what is

[1] *Present Position*, 31.

observable, and can be described more or less accurately. This was a point on which Sir William Petty laid stress.[1] His *Political Arithmetic* had to do with external phenomena, and so there was a possibility of collecting definite observations, and laying a solid foundation of fact. But, when we start from motives, we lose all this advantage. What actually weighs with a man and determines him in any course of conduct, is not a thing we can observe; in any particular case we can only guess at it. We may have direct testimony, but that testimony may not be reliable. Motives are not obvious, and we are not unlikely to be mistaken about them. If this is true about any particular man at any particular time, it is not clear that our generalization as to what the average man will do is sound as a matter of fact, though Senior [2] appeared to think that economics was a positive science reared on this basis. We shall surely advance most satisfactorily, if we start from what is observable and work towards the unknown, rather than if we begin our explanation of facts with motives which we cannot directly observe and about which we only guess. The historical procedure has the advantage to this extent, that it works from ground where accurate observation is possible, and therefore rests on a firm basis, so far as the treatment of actual events is concerned.

We may, of course, as a piece of theory, assume any sort of motive we like; we may in some particular investigation find it convenient to put forward some tentative hypothesis about motives, and see how far our hypothetical explanation accords with the actual course of events.[3] The measuring of supposititious motives may be all very well in its way, as confirming conclusions based on other grounds; but the economist who makes it his main business, and takes it as the basis of a system, is relying on very insufficient data for giving us the truth about actual human transactions.

The normalist may possibly rejoin that it is not his business

[1] *Several Essays in Political Arithmetic*, 4th ed., 98.

[2] *Four Introductory Lectures*, 62.

[3] See my address on *Nationalism and Cosmopolitanism in Economics.*

to observe, and that he simply assumes the facts of human nature as they are reported to him by the *psychologist.* But the doctrine that all men act in strict accordance with greater or less quanta of pleasure or pain impelling them, is at least open to criticism; and it is to my mind an advantage if economics can secure a definite basis of its own, instead of being dependent on psychology for its very foundations. A very great deal of the popular prejudice against political economy is due to the fact that its close dependence on a somewhat crude psychology has given it the guise of a selfish science.

ii. If, instead of starting with events and seeking for the conditions that brought them about, we begin with a particular kind of motive and trace its working, our account of economic affairs can never be even *approximately complete.* There is such a thing as the interaction of "causes." Economic phenomena are part of the complicated social life of the world, and they are influenced by all sorts of distinct forces. We may find, if we seek for the "cause" of some commercial event, that it was due primarily to a political or religious motive. And if we started by confining our attention to the action of one particular kind of motive, which we chose to call economic, we should never reach an explanation of such occurrences at all; and we should get a most one-sided account of any events in which political or religious motives have been at all important. The historical economist, as I understand the position, holds that he is wise to confine his attention to one group of phenomena, but he does not deliberately condemn himself to giving partial and imperfect explanations even of that limited group. But by his own admission Professor Marshall takes this line; he fully allows that much of the best work in the world "evades altogether the economic calculus"[1] of motives, and that he cannot take systematic account of work done for the sake of duty. So far as this normalist science is concerned, it is an inexplicable phenomenon. Here, then, I claim that if we compare the two modes of treatment from the standpoint of scientific method and the possibilities of *accurate observation* or of *thorough*

[1] *Principles*, 81.

explanation, the historical procedure appears to have the advantage.

iii. It is possible then either to concentrate attention on one group of *phenomena,* and to try to study them thoroughly, or, on the other hand, to pursue a one-sided method of explanation by following out one kind of *motive.* But this one-sided method involves difficulties of its own, which do not arise if we pursue the other course. If we do not examine the real world as it is, we are forced, by the very necessities of thought, to create an unreal world for ourselves,—implicitly at all events. The conceptions, which are implicitly introduced through the language employed by normalist economists, involve them in difficulties with students of other departments. There are some of these which have been already indicated. The measuring of the motives that act on a man, as if they directly determined his action and the man himself might be left out of account, implies a particular doctrine of human nature, a particular view of psychology. It is not accordant with the plain man's opinion about himself, and it does not commend itself to all philosophers. Surely it is a pity that the economist should implicitly commit himself to it.

But the greatest difficulties arise from the implications of the word "cause" as explained above. Laws of causation imply uniformity, and when we state a law of causation about any phenomena, the very form of our statement seems to imply that the law holds good among all known phenomena. But the conditions of human society, and consequently of bargains in human society, are constantly undergoing modification. The industrial arts do not stand still; political life is full of change; current morality is raised or lowered in tone; laws and customs alter. The normalist mode of statement is confusing because it assumes uniformity where there is continual change and re-adjustment. As a matter of fact it has brought economists into unnecessary conflict with moralists, who think there ought to be changes, and with historians who know there have been. There is on one hand a tendency to use principles which have been formulated for the present day as a short cut to the economic interpretation

of history; and, on the other, the laws of supply and demand have been made the excuse for niggardly or vicious conduct by men who urged that you could not run counter to a natural law. The whole practice of stating the results of economic study of phenomena in the form of laws, and the habit of discussing what is normal, is to blame for the absurd anachronisms into which economists have fallen when they have drawn illustration haphazard from history, and for the misrepresentations of economic doctrine which one sometimes finds in newspapers.

All this confusion is familiar enough; but it is simply and solely due to the method of procedure so commonly adopted. If our procedure is analytic, from events to the conditions, we do not need to assume uniformities or to discuss what is normal or to state our results as laws of phenomena. We can get rid at once and for ever of all these confusing terms. We merely wish to note the conditions which brought about a given event. If we find any one condition present in many cases and during a long period of time, we shall see that this influence is very *general,* but we do not give any force to our statement by formulating our result as a law. It only confuses the minds of the British public more than ever as to the nature of the various laws under which they live. It may suffice to point out now that the method of procedure which is best adapted for accurate observation and for thorough explanation is also the method which is least likely to generate confusion in the minds of those who use it, and of those who read about it. The empirical investigation of economic phenomena, with the help of pure economic science as an instrument for clear thought and accurate expression, is the course for which I plead; and I venture to protest against the manner in which current text-books desert pure theory and attempt to construct a science of economic force and economic laws of causation. It is vain to try and recast the study after the model of physics, in the hope of inducing the physicist to pursue it; he is not beguiled by the imitation.

3. The third departure from pure science against which I wish to protest is the haphazard introduction of ethical

considerations. I trust I do not deny the importance of ethics; rather I contend that it is so important that I desire to see a systematic treatment of the questions raised. I do not feel satisfied with a mere accommodation. There has been from time to time an outcry against political economy as a selfish science. The stock answer to that is that political economy is merely putting forward, as the most convenient hypothesis, a fact that is very generally true, but that it does not favour selfishness in any way. But recently there has been a modification of attitude; attention has been directed to what is called the *moral factor in economic law.*[1] I do not know whether Professor Marshall would accept this interpretation of his phraseology, but he has not, at all events, guarded himself against it, and we are justified in supposing that silence means consent.

It is obviously true that a science which studies human motives is, in a sort, a moral science; it is concerned with moral phenomena. But, after all, the most important distinction in morals is between right and wrong, and that is a distinction of which the economic calculus cannot take heed. That measures motives as to their strength and effectiveness; it does not and cannot distinguish then qualitatively. What is *normal* economically may not be good, or it may; we cannot discriminate till we go outside of economics and consider the *ideal* of human life, the end in view, and not merely the *means* of obtaining it.

There are various ways in which ethics and economics come in contact. We have a *description* of the actual state of society, and the ordinary tone of individuals, whether it is good or bad. Or, again, we may depict an ideal of what ought to be, and say definitely that something is so wholly opposed to our ideal that it shall not be, however trade is affected. This was the attitude taken in regard to children's labour in factories, and to the slave-trade, by philanthropists. We may thus be *dogmatic.* Or we may study the means for realizing an ideal, and thus be *practical,* and propound useful maxims for conduct. We may discuss all the casuistry of how far I am bound to inquire about

[1] *Economic Review,* Jan., 1891.

sweating or usury in every purchase I make. These are three great ethical considerations. Let us take them in turn.

How far are they adequately represented by a moral factor in economic law? We can hardly get a good induction, so we assume that our economic man is a respectable married man who wishes to provide for his family,[1] and calculate out what he will do on this supposition. A very nice supposition, but a mere supposition. We then formulate the "law" of what such people will tend to do, and point out with triumph that they are not monsters of selfishness,[2] but honest sort of well-to-do folk, with no heroic virtue and much prudent regard for the future. But is this a description of actual life? Does it help us to guess how far men will accept a scheme of national insurance? It is all pure assumption, and has no value whatever as a *description* of facts.

Then, we never reach any *authority* thus. On this assumption, a "law" has been formulated. If it is a law of phenomena at all, as the normalists seem to suppose, it tells us what the ordinary man will do. By assuming what he has done, it formulates what he will do; but this does not take us any nearer the real ethical question as to what he *ought* to do. The old story of the politician's three courses comes in.[3]

Is it necessary to add that such a law gives us no *practical* guidance? It tells us what people will do, as long as they go on unchanged. The practical ethical question generally is how to get them to do something better, and from its very form of statement, an economic law cannot help us to see our way in the least. Really the ethical questions connected with industry and commerce are very difficult, and deserve serious attention. To my mind ethical considerations take the first rank. We do not give them their due place if we merely recognize them as elements in economic laws which state how we assume men will act. This is to my mind the most disastrous of all the accommodations to which I have called attention.

[1] *Economics of Industry*, vi. [2] *Principles*, 293.

[3] What the honourable member has done, what he is about to do, and the third entirely different course which he ought to have pursued all along.

I have tried to put before you a hasty sketch of economic theory as an instrument of clear thinking and accurate investigation; I have tried to show you the grounds on which I entirely discard the opinion that it is wise to formulate the results of economic study as laws of phenomena. I reject the use of the word law and normal altogether. I do not say that it is unmeaning, but I do say it is *confusing;* with the introduction of professedly ethical elements into laws of causation, the confusion is worse confounded; but it was bad enough before. I have tried to look at the theory of the normalists from every point of view —as a matter of *logic,* as regarded by the *metaphysician* and the *psychologist,* and the *student of history;* I have tried it as regards accuracy of *observation* and thoroughness of empirical *investigation,* and as regards the possibility of *popular exposition.* From all these sides it seems to me to be condemned absolutely.

Economists of all schools are agreed to regret the manner in which political economy is commonly misunderstood, and its authority misquoted. The word "law," the analogy with physical science and physical "causes" has been the main reason of such misunderstanding. This will not be disputed. It is the fashion to contend that scientific men are not to blame for popular misunderstandings; but they are to blame if they persist in using language which is constantly misunderstood, and methods of reasoning which give rise to confusion, unless these methods are necessary, and none other can be employed. Now the question which I wish to ask, and I honestly ask for my own information is this, Are these modes of statement, "economic laws" etc., necessary for any purpose whatever? Is there any part of the study of economics which cannot be adequately dealt with either as (*a*) a pure science or (*b*) an empirical investigation? Till I learn that there is, I shall regret the retrograde movement in recent economic studies in England; and especially the deliberate discarding of the lines laid down by Mill, who accentuated the influence of human minds rather than the "mechanical analogies" in economic phenomena.

W. Cunningham.

WOMEN COMPOSITORS.

THE following account of women compositors in London, and the reasons why they earn less than men, was placed at my disposal by one of the members of the Fabian Society, in response to a request for information about women's wages. It will be of interest to the readers of the *Economic Review* as being the view of a woman actually working at a trade subject to legislative regulation. With reference to women as printers, I take the following extract from the current report of the Society for Promoting the Employment of Women [1]:—

"Printing is a trade in which women have now gained a sure footing; and several firms, both in London and in the country, are willing to employ them: the demand for trained compositors has been such during the past year that the Committee have been unable to meet it. A careful compositor thoroughly versed in her work is seldom long disengaged. Type-setting is not laborious, the compositor can either sit or stand, and if she washes her hands before eating after handling the type the work is quite healthy.

"In the year 1869 the firm employed by the Society, Messrs. Bale of Great Titchfield Street, first made arrangements to take girls as apprentices; and ever since that time they have trained girls and employed women, and they bear ready testimony to their general efficiency. At the Women's Printing Office, 21B, Great College Street, Westminster, the work is done entirely by women; and the Committee hear with satisfaction that the business has so considerably increased during the past year that the managers have been able to increase their permanent staff.

"Through the direct agency of the Society six girls have been apprenticed in this trade" (during the year).

Women compositors, introduced, as my correspondent states, in Lancashire forty years ago, are now to be found in various

[1] London: 22, Berners Street, Oxford Street, W.

parts of the United Kingdom; in many towns and villages in the United States; at Capetown, and doubtless elsewhere in our Colonies; and in France. No accurate estimate of their numbers can be given. The estimate of "over two hundred," which my correspondent gives for London alone, I should judge to be probably in excess of the truth. So little is known on the subject, however, that persons connected with the London Society of Compositors have assured me that there were not a hundred in London altogether, whereas my correspondent enumerates between eighty and ninety in nine establishments only. Women compositors are also at work at, among other towns, Warrington in two newspaper offices; at Redhill (Surrey); and, in considerable numbers, at Messrs. Hazell, Watson, and Viney's establishment at Aylesbury (Bucks). At all these places they are said to receive less than half the Trade Union rate per 1000 "ens." They have no Union of their own.

There is a fair number of women compositors in Edinburgh, in several different establishments, where they were introduced by the employers during the general strike of 1872–3, which they did much to defeat. They receive only from one-third to one-half of the men's piece-work rates, and have "completely revolutionized the trade in that city."[1]

There are also employed in the United Kingdom about fifty or a hundred girls in connection with composing-machines (especially the "Hattersley"). The girls only distribute the type; the Typographical Association (the provincial Trade Union of the male compositors) insisting that all manipulation connected with the composition should be done by their own members.

Pending the publication of the "Occupations" portion of the 1891 census, it is impossible to form any idea of the total number of women employed in printing offices, but that this is considerable may be judged from the fact that 741 were so returned in the 1871 census, and 2,202 in that for 1881. Since that date it is believed to have greatly increased.

At Capetown a few women compositors are employed, at low

[1] *Third Report on Trade Unions*, c-5808, 1889, p. 125.

rates.[1] At Paris, I am informed that women compositors receive much lower piecework rates than the men, but I have no particulars. In America, women are largely employed as compositors, and receive lower piecework rates than men.

In the Report of the United States Commissioner of Labour for 1888 will be found particulars relating to 17,427 working-women in twenty-two representative cities, being from six to seven per cent. of the whole number of women engaged in manual labour for wages in those cities. Out of these, 188 (little over one per cent.) are described as working in printing offices. This would indicate that there might probably be nearly three thousand women so employed in those cities. I believe, however, that a large proportion of the women compositors are employed in the small villages which support struggling journals.[2] The 188 who reported in seventeen cities were mostly from fifteen to twenty-five years, only about a dozen being over thirty. They had mostly entered the industry between fourteen and seventeen. A hundred and forty-four reported their earnings, the average being $300·06 per annum, with 25·9 days lost time; the average for all the women at manual labour being $272·45, with 36 days lost time. No women employed in printing offices reported from Cincinnati, New Orleans, Richmond, or Savannah.

The saddest feature of the introduction of women compositors is their employment as "blacklegs."

The male compositors in New York had a long and unsuccessful strike in 1887, in connection with which one employer reports as follows:—

"As soon as our men went out we filled their places with girls. We were fortunate in securing intelligent, rapid compositors, who do as good and, perhaps, faster work than the men we had. We pay them very nearly as much as we did our men."[3]

A better idea of American rates of pay may be gathered from

[1] *Report of a Select Committee of the Cape Legislature upon Colonial Industries*, August, 1891, p. 90.

[2] Novel readers will remember Mr. W. D. Howells' description of the women compositors in the opening scenes of *A Modern Instance.*

[3] *Report of New York Bureau of Statistics of Labour for* 1887, p. 403.

the fact that at the printing establishments of New Jersey in 1882, the usual earnings of the male compositors were from $600 to $900 per annum; those of the women, from $300 to $450. The men were paid on piece, 30 to 35 cents per 1000 ems; the women, 25 cents per 1000 ems. A few men on time received only $10 or $12 per week; women on time, $7 to $10 per week.[1] An "em" is equal to two "ens."

With reference to my correspondent's inference that the disabilities placed upon women compositors by the Factory Acts are a great cause of their inferior wages, it should be remembered that a similar inferiority prevails also at Paris and Capetown, where no such restrictions exist, as well as in the United States, where such laws as exist are very imperfectly enforced. For a discussion of this difficult point I may be permitted to refer to my article in the *Economic Journal* for December, 1891.

SIDNEY WEBB.

WOMEN COMPOSITORS IN LONDON.

I am without special means of judging, but I should estimate the female compositors in London at over two hundred. They can earn far higher wages than in most other trades, but the nature of the education required, the character of the work, the length of the apprenticeship, and the difficulties the men put in the way of proper instruction keep the numbers small. Only about a dozen firms employ more than three or four women. The most important house in this respect is A.'s, where twenty female compositors are employed. The numbers are made up by one or two girls working in numerous small houses, often under exceptional conditions, as with their fathers or other relatives.

The number and nature of firms employing female compositors are largely affected by Trade Unionism and the Factory Acts.

The present attitude of the Trade Union is well expressed by the following quotation from the *Westminster Review*, for February, 1888, in an article on "The Higher Education of Women," p. 156: "It is a sign of good omen that, at a meeting of compositors and printers in London a short time ago, there was passed a resolution on this subject in which, while expressing a strong opinion that 'women are not physically capable of performing the duties of a compositor,' the

[1] *Report of Bureau of Statistics of Labour for New Jersey for* 1882, p. 47.

conference recommended the admission of female compositors into the Union 'upon the same conditions as journeymen, provided always the females are paid strictly in accordance with the scale.'" This, I believe, is now a rule of the London Society of Compositors, but it is naturally a dead-letter one, since even an exceptionally good workwoman would be very unlikely to get work at Society rates, with the limitations that the Factory Acts place on her (or, rather, on employers), some possible hostility of the men, and other considerations that her working with the men might introduce.

"Society Houses" only employ women under exceptional circumstances. Occasionally (as at X.'s), when a firm employing women "turns Society," these women are allowed to be kept on, especially till their time is up, in the case of apprentices. Again, the Union, under exceptional circumstances, permits non-Unionists to work in a "Society House" in separate rooms and under distinct management, and in this case (as at I.'s) women can be employed.

As to the Factory Acts, the prevention of night-work or Sunday work for women and the Saturday half-holiday make the employment of women impossible in newspaper offices, etc. Of course, I am not opposed to the Factory Acts, and recognize their important effects in securing better conditions and shorter hours of labour for men also, directly or indirectly, as in the Lancashire mills. But their present limitation to women and young persons is an important cause of the inequality of the wages of men and women for the same work.

Rates of Wages.—*Union rates.* The *time wages* work out to not less than 8*d.* to 8½*d.* per hour. The *piece-work* is managed on a system difficult to explain to an outsider, at from 7*d.* to 1*s.* per 1000 "ens," according to the character of the work. On the system adopted at A.'s, and, I believe, most other "unfair houses," of taking the "fat" and "lean" work as it comes, this may be taken for comparison at not less than 8½*d.* per 1000 ens.

Principal firms employing women compositors in London. A. employs about twenty female and fourteen male compositors. The men are mostly "on time" and women mostly "on piece." This enables the men to do the heavy and jobbing work, and leaves straightforward work to the women.

	Time, per hour.	Piece, per 1000 ens.
Rates :—Men	7½*d.*	7½*d.*
Women,	5*d.*	5½*d.*

Women's Printing Society, Limited (Miss M. Weede, manager), 21B, Great College Street, Dean's Yard, Westminster. Employs about

twelve women compositors, and no men. Women's rates, per hour, on time, 6*d.*; per 1000 ens, on piece, 6*d.*[1]

C. employs about ten women, and some men (the latter said to be badly paid). Women's rates, 5*d.* per hour on time, 5*d.* per 1000 on piece. D. employed about twelve women a year ago; now believed to have fewer. 6*d.* per hour on time, 5½*d.* per 1000 on piece. E.,—about eight women employed, 6*d.* per hour on time, 5½*d.* per 1000 on piece. F.,—about eight women employed, and some men. All women are on piece, at 5½*d.* per 1000. G.,—about seven women employed, and a few men. Women, on time 5½*d.* per hour, on piece 5½*d.* per 1000; H. employs a few women. On time 5½*d.* per hour, on piece 5½*d.* per 1000. I. (combined Society and non-Society house, working in separate rooms)—three or four women employed; many men. All women on piece, at 5½*d.* per 1000.

These include all the principal women-employing firms in London. Owing to technical details, 5½*d.* per 1000 ens at one house may come to as much at the week's end as 6*d.* at another.

The interesting matter is the piece-work. I doubt if there are many trades in which comparison of the wages of men and women for work of equal quantity and quality is so possible. On a given piece of work 1000 ens set up *is* 1000 ens, neither more nor less, and quality hardly enters into the question, since the compositors have to correct their own mistakes. As to speed, the differences in any case would not be important; but I think, on the whole, that the average woman compositor works more rapidly than the average non-Unionist. Yet we have the fact that, for 1000 ens of average work set up, *i.e.* for work of absolutely the same quantity and quality, the Unionist receives about 8½*d.*, the non-Unionist about 7½*d.*, and the woman only 5½*d.*

What is the cause of this difference? It is worthy of note that in this case it is hardly possible to say that women always have been paid less than men. One woman compositor, whom I have known three years, and who is still working at the trade, was apprenticed about forty-four years ago at McCorquodale's, Newton-le-Willows, Lancashire,

[1] Now fifteen employed; the elder girls are paid twenty-four shillings per week; some just out of their apprenticeship receive twelve and eighteen shillings per week. The report for the year ended January 31, 1891, shows that a bonus of £20 was paid to the employées, whose wages amounted to £722. This bonus may be estimated to have been equal to an addition of one-sixth of a penny per hour to the wages. In the preceding year the bonus had been £47, on a higher total of wages, and may be taken to have approximated to about a third of a penny per hour. The company paid, in 1890–1, 5⅝ per cent. to its shareholders, and in 1889–90, 6¼ per cent. (including, in each case, the bonus). It was established in 1876.—S. W.

and worked there about twelve years. That firm then first introduced female compositors, against the will of the men, apprenticed and worked them under the same rules as the men (though the men taught them as little as possible), and paid them at the same rate as the men, namely, $4\frac{1}{2}d.$ per 1000 ens.

I would suggest that, among the *causes* of this difference in the wages of men and women for the same work, are the following :—

Women on the whole are less convenient to the employers than men. (*a*) Owing to the Factory Acts, they cannot, in an emergency, work much overtime, or at night, or on Sundays, or through their meal-times, or after a certain hour on Saturdays, etc. Of course, I mean *legally;* but the employer usually takes the risk. (*b*) In an emergency the average woman compositor would be less able than the average man to undertake certain classes of work, owing to physical unfitness, real or imaginary, or to want of ability through imperfect training (the men, as a rule, object to teach the girl apprentices properly).

Apart from these differences, I think women compositors are as much to be depended upon and more easily controlled than the men. Emergencies like the above hardly ever occur in the kind of houses now employing women, and I regard these inconveniences as insufficient to explain the whole of the differences in wages, and think it probable that the women would still be employed even if the employers had to pay them nearly the same wages as the non-Society men.

Why more firms do not employ women when they can get them so much cheaper. (*a*) They must have men for machinery and other parts of the business, and even for the heavier work that usually falls to the compositor. These men must be non-Society, and therefore not, as a rule, the best workmen ; *i.e.* the houses must (with the exception mentioned) be "unfair houses." (*b*) The non-Society men themselves would usually have strong objections. (*c*) At any rate, as the number of women employed increased, separate accommodation would be desirable, on account of difficulties arising from the men and women working together. (*d*) They cannot easily obtain them—the supply is small, for the reasons given above. I know that in one firm they have often taken on another man when they have preferred a woman, could one have been obtained.

Following on this last reason, it might be asked, *Why do not new firms, non-Society firms thinking of employing women, and firms wishing to employ more women, draw them from other firms by offering higher wages?*

To some extent they do. While C.'s and other long-established firms pay women as low as 5*d.* per hour or per 1000 ens, most firms commencing to employ women are offering 6*d.* It would probably not pay to offer much more, because it would not draw them much faster, on account of their immobility.

This *immobility* arises from many causes: (*a*) The work is very fluctuating, and new hands get discharged in slack times, while old hands are kept on and do not care to leave. They have permanent work and fear to risk getting irregular work, even at higher rates, since the "busy" and "slack" seasons are more or less simultaneous throughout the trade. The work in a new house would be of still more doubtful permanency. (*b*) Greater irregularity of work and technical details often make an apparently higher rate bring in less at the week's end than a low one. (*c*) There is more or less specialization in the work. Different houses undertake different classes of work; the methods and arrangements also vary, and, whatever the rate of pay, low wages would probably be earned for the first week or two, until these details had been mastered. (*d*) The situation of the firm is an important factor. Living expenses vary in different districts. Women object to seek fresh lodgings, which brings in the expense and inconvenience of travelling. This applies especially in the case of girls living at home.

Effect of employment of women on men's wages. An increase in the supply of trained women compositors would tend to equalize wages by making the competition with the non-Society men more thorough. I am afraid this would be in the direction rather of lowering the men's wages than of increasing the women's. At present, the women only compete directly with the non-Society men, and so tend to lower the men's wages. This probably tends indirectly to lower the wages of the Society men.

Remedies. A Union among the women could probably improve the conditions of their work, and perhaps raise their wages. Much would depend on whether the London Society of Compositors would recognize such a Union if it fixed a reasonable rate of wages. I am doubtful whether many of the women could in any way be induced to unite. The girls on the whole are well contented and not inclined for effort or agitation. They think the pay is good "for a woman," as they generally make over £1 a week. Most of them live at home, and look forward to marriage; and all the effects in other employments of such conditions are greater here, since the wages are so much higher.

AMY LINNETT.

A SOCIAL POLICY FOR CHURCHMEN.

THE late Dean Church, in his history of the Oxford movement, has given an admirable account of the Church in the Reform days. He tells us how that movement was a revolt against want of Church principles and "quiet worldliness;" against easy obligations and episcopal pomp; against "country gentlemen in orders who rode to hounds, and shot and danced and farmed." He describes how the new party succeeded to an earlier zeal and enthusiasm, and profoundly modified it; how they became the true inheritors of the personal religion which the Evangelicals had found wanting, and, to their lasting honour, had striven to supply.

Some future historian will tell us, with equal charm of style perhaps, but never with deeper self-effacement, how these two great moving forces—the force of personal religion and the force of corporate Church life—have moulded, inspired, transfigured our ideals of to-day. For it cannot be denied that Churchmen have fully admitted the claim of Christ to rule, in the smallest details, the sphere of practical individual life. On spiritual individualism the Church is now insisting by every popular mission or quiet retreat. And, further, the great Oxford revival has undoubtedly taught us, with a voice unheard by our grandfathers, our corporate oneness in sacrament and spiritual effort.

But within the last three years a new question has come to press upon the minds of men. Not that it is new in itself; but the pressure is stronger than it has ever been, and the sense that it *must* be solved, that it can no longer be neglected, is passing into a new enthusiasm amongst us. This is the Social Question. Of this question it is the task of the Church to find a Christian solution; and the attitude and utterances of Christians, be they

bishops, priests, or laymen in regard to it, are being closely watched.

Now, have we, as a Church, with one mind and heart, yet realized that religion has a social expression; that Christ claims this life as well as the next—is King of living men, King of society in village, town, and nation; that law and politics, international relations, club-life, social organization, even social gradients and class spirit,—all the complex tumbled relations of humanity are subject to His claims, must be ruled by His laws, moulded and transformed by His spirit?

The Report of the Committee of the last Lambeth Conference appointed to consider the subject of the Church's work in relation to Socialism, signed by the Bishop of Manchester, is very outspoken. While disavowing spoliation or injustice, this report emphatically pronounces in favour of an extension of the system of small farms, and of workmen's co-operative societies; "does not doubt that Government can do much to protect the proletariate from the evil effects of unchecked competition;" advises Boards of arbitration, the acquisition by municipalities of town lands; suggests the abolition of entail; encourages the requirement of economic knowledge from candidates for orders; and bids the clergy endeavour, in sermons and lectures, to set forth the true principles of society. These resolutions, which would have seemed revolutionary even to the Whig prelates of an earlier date, are strengthened by the words of the primate in his charge of 1889, now published under the title of *Christ and His Times.* No Churchman who is a social reformer can possibly feel, with these words ringing in his ears, that he is doing anything but carrying out the very wishes of his leaders. One might perhaps go one step further and desire that the bishops, as a body, could see their way to an initiation of some social legislation in the Lords. This would emphasize their attitude, and would bring home to their clergy and faithful laity the strength of their resolution to lead us to a practical policy.

For experience of clerical meetings forces one to feel that the clergy, as a whole, do not yet quite realize how far their leaders have already gone and are prepared to go. The *Lambeth*

Report and the archbishop's charge have not, we think, been read, marked, learned, and inwardly digested by all of us. And yet, if we are ever to persuade "the masses" to be Christians, the principles therein enforced must be realized, and that without delay. We must see, with vision taught by Christ, the social claims of man on man; we must help each other by deciding these claims, as they come before us, by a Christian judgment; we must remove hostility to Christ by showing Him forth, in our own self-surrender and sympathies, to men alienated by misunderstanding or resistance. How are we to do this? We must do it by speech and action. For both speech and action, vigorous, united, decisive, the time has undoubtedly come.

And first, by speech. We can speak the truth. The truth has no longer to be learnt. Even Bismarck has acknowledged that there *is* a social question. This is the truth we can drive home. In the pulpit, in the club, in the press, on the platform, in the drawing-room, this is what we have to maintain: "There *is* a social question, gentlemen: do you know its dangers, its demands, its hopes?" True words, Christian words, are not necessarily revolutionary. At all events the world was never converted by silence. And we are at a point in our social development when to keep silence, whatever our motive, is little less than immoral. On many points we still want light; but light is better found by going to it than by waiting in a cave. Principles at least are clear; and principles are clues to lead us out into sunlight. Here are a few undeniable Christian principles. The *use* of property is greater than property. Society exists for the sake of the men and women who constitute society. Wealth is not our own; it is only a loan, a trust. Surrender even of individual rights for the sake of Christ is nobler than defence of privilege. No man may be an idler, by the law of Christ. Wealth is no gauge of worth. Rights ought not to exist, unless duties are fulfilled. These are moving principles, undeniably Christlike. These are the principles that controlled His life and inspired His death. These we must spread, must speak. In the light of these, as if the Friend of taxgatherers and sinners were in actual presence beside us, we must judge ourselves. What an

effect might be produced if only a vigorous assertion of these principles were made, as suggested by the bishops, from every pulpit!

When Socrates told Gorgias and his friends that it was better to suffer evil than to do evil, and that to escape punishment for wrong was a misfortune, he made himself a laughing-stock to the Greek "natural man." So will some of these principles, though perhaps less confessedly, be a laughing-stock to the British "natural man." If he does not deny them outright, he will regard them with great suspicion, and will vote resolutely against their practical issues. But, on the other hand, no doubt a large number of Churchmen will resent the notion that they do not fully agree to them all. The difficulty, however, is not in theory. It is in practice that the limitations begin. And what we want, therefore, is the courageous enforcement of a practical public policy. The threads of individual effort must be upgathered, and our leaders must plait them into an effective rope.

This brings us to our second need—action. What are we doing to show forth the social principles of Christianity in practical life? Let us see. What are the social needs of to-day? What are the social wrongs of to-day? Let us ask the two questions together, not because needs and wrongs are necessarily synonymous, but because even needs, if unsatisfied, become at last wrongs. Needs appeal to love, wrongs appeal to righteousness: and Christ is at once the power of righteousness and the power of love.

Let us first take the question of the housing of the poor. Do we ourselves own cottages? It is to be presumed that the majority of English cottages are owned by professed Christian laymen. Do, then, their cottages, if occupied by families, possess a third bedroom? How many are there that do not possess a second bedroom? In cases where they do not, do they afford the chance of a human and moral, not to say Christian, home? How, in fact, has it come about that any such problem exists, while an "educated Christian gentleman" is found in every village with a tongue to speak? Oh, it is a very simple difficulty; with the present cost of building, no such cottage

will pay the owner four per cent. But, we answer, by the law of Christ it cannot be a question of economics; it is vital to village ethics and to the souls of men. Unless we remedy this, we cannot profess and call ourselves Christian, and still hold such property, still innocently enjoy our own luxuries while we deny to our tenants the elements of a moral environment. If we remedy this, then and then only can we justly appeal to our fellow-men; and appeal, not only justly, but successfully. For such an example would put apathy to shame. And it is apathy that stands like a stone wall between Christian theory and the general practice of landlords. And this apathy becomes positively quickened into obstruction by dread of the cost. Yet the pair of carriage-horses, or the London season, or the run to the Riviera, are still not forgotten.

It is sometimes said that the worst cases are to be found in open villages, where the retired butler or the small tradesman or the successful publican has invested his earnings. No doubt; but the fact that this is endured is a proof of the apathy of public opinion on the question, and is largely brought about by the consciousness of a considerable mote, if not a beam, in the critical eye. "Public opinion indeed apathetic?" a reader may say: "why, an act has been quite recently passed to alter all these evils!" Just so; but how many know that? How many know its powers? How many have done as at least one well-known suburban rector has done, and enforced its execution in the face of reluctant vestrymen? Like so many excellent English laws, it is as yet nobody's business in particular to enforce it; and the fact that it remains so widely unenforced is a fresh proof of the apathy of English Churchmen. For, even though we do not ourselves possess such property as I have spoken of, can we not yet refuse to sit with our hands before us and do nothing? Can we not tell the labourers themselves where the remedy lies? Can we not tell our neighbours the real fact, how, *e.g.*, the illegitimacy in English village life, nay, the more awful evil still, the *incest* in it, is the direct outcome of the crowded cottage?

It is very possible that the solution may involve serious

sacrifices on the part of those who, like ourselves, have real *homes;* yet shall we not welcome even so costly a solution? Is it not true Christianity to give up, not "all" but at least a good deal, that we possess, that the poor may live as men? Shall we "go away sorrowful" at this? It is, of course, to be granted that there are many who are anxious to find a solution of this and kindred questions. Be it so; but it must be realized that it is quite certain that the cure of such evils will involve wider social changes than we may be as yet prepared for. Our devils may be cast out, but it will have to be at the cost of some pigs; and the question is, which we prefer, our lower gains or our poorer fellows housed and in their right mind.

This, then, is one great wrong, for all our commissions and statutes, not yet by Christian public opinion seriously and practically taken in hand. Another great wrong arises out of the facilities offered for drunkenness. We may not all be teetotallers; we may think prohibition utopian or fanatical; we may be contented with a vision of general moderation, marred only by a few irrepressibly hopeless cases, which may be borne with in the cause of liberty and freewill. But the present evils we cannot deny; the excess of opportunity; the frequent neglect by the police of breaches of law; the occasional instructions from their superior officers "not to be too busy;" the rags, misery, squalor, vice, promoted by drunkenness; and, notwithstanding these issues, the enormous fortunes made.

Now, if men were resolved to show forth the power of righteousness in social life, is it really credible that the brewer would make so many unfortunate mistakes as to the character of his tenants? Would he wait till endorsement was threatened, before discovering and ejecting his unworthy representatives? Would the illicit Sunday trading and the unlatched back-door be so entirely overlooked, if they resulted in the sale of less and not of more beer? Whether local option be the right remedy or not, would the demand for it have been adopted as a plank in their platform by a great political party, if the magistrates as a whole had acted in the interests of the millions and not of the few? It is true that last year the magisterial courage

screwed itself up to refusing some two hundred licenses in the whole country; but even while fully impressed by the proportion between the refused and the unnecessary, we may fairly ask how it comes that it has taken so many years of temperance agitation, capped by a serious proposal to compensate out of rates, to discover the very powers that might from the first have barred out the wrong? And why is it that, even now, magistrates hesitate so long to endorse or refuse a license?—is it really mercy for the tenant, or is it *regard for the property?*

The evils and horrors of drunkenness have been truthfully and graphically "placarded" before the nation. A large number of the clergy (not by any means all) have thrown themselves into the conflict. Yet how many laymen of position in a country village will give up their late dinner and help to rally their tempted fellows by some counter-attraction? "It is the parson's business." Is it? That is the point. Undoubtedly, if we are our brother's keepers by the law that condemned Cain, much more by the law of Christ, it is theirs as well. We must tell them so; we must show them an example; we must carry into lower town and village life the art, the song, the higher recreation, that has possibly helped to civilize and Christianize our own. Above all, we must raise public opinion on this and the kindred question, the question of purity, and make impossible the moral apathy of so many well-to-do people as to the less reputable methods of those huge profits that build a workhouse on one side of the road and a palace on the other.

It may be possible, let us by all means grant it, to be an upright publican and a resolutely watchful and clean-handed brewer; but it ought not to be possible, in the face of public opinion, to be anything less.

Again, is it really a quasi-divine ordinance that at the end of most ordinary working-men's lives there should be no hope beyond Poor Relief? that, except in the case of a skilled artisan, a man with a family to support cannot under present conditions save enough to enable himself in his old age to rest or even to be independent of external aid? Is this to remain the unalterable destiny of the mass of our workers? It has

been said to be according to natural laws; so was slavery in the eyes of Greek philosophers and even of this century's slave-holders. Surely, there is no social tendency that is not largely created or capable of being modified by the society that expresses it in fixed law and custom. Our own views of property, seemingly so ethical and absolute, are entirely contrary to other views, once equally accepted. The question is, Can we be, as Christians, content with this? If not, can we modify the tendency of capital to accumulate in few hands? Can we, in fact, get rid of the workhouse? The solution of this problem would undoubtedly bring untold happiness to thousands. Are we ready to make large personal sacrifices to secure a solution, or is our view of property, "J'y suis, j'y reste"?

Surely, these three questions, even if we took no more in hand, viz. the housing of the poor, the facilities for drunkenness, the hopelessness of old age in the labouring class, loudly call for a practical proof from us that we are more than willing, even eager to show forth the principles of justice as taught by Him we call Master.

But, apart from unjust conditions, social life in England has needs which will not become wrongs unless, when fairly formulated, we disregard them. And in this sense the three pressing needs of labour are the need of education, the need of leisure, and the need of a progressive public life.

To take the last first, complaints are made that none but the old and feeble remain in our villages. Why is this? It is because town life is more interesting and progressive. Supply the elements of interest and progress to villages, and they will not thus be emptied. Bagehot has pointed out how in the past a progressive freedom has grown only with public discussion. This element must be given to village life, or rather, as our furthest ancestors on English soil would say, must be given back to it. In how many villages, even as things now stand, are the elections of churchwarden or overseer or parish representative in the diocesan conference carried out in the evening, when working men can attend? What self-educative influences now exist even in model villages, where a generous landlord builds

good cottages and gives good gardens? Do those rose-covered walls hide no corrupting secrets, no repressed ennui, issuing in occasional discontent, and offering a ready plot for the weeds of agitation? What these men need is not charity, but justice: not tidy footpaths and gabled roofs, but manhood; and manhood can only come to us by having a man's work to do. And a freeman's true educative work is not to cheer his squire's name at a harvest home, even though he be a good squire, so much as to learn independence through a share in the responsibilities of government.

Is it likely that such men would be less good Christians for their freer manhood? Is it conceivable that the Christ of Galilee would not sympathize with a method to which, after all, the middle classes owe their independence of judgment and freedom of religion? Do we in our consciences believe that He would be found, if now on earth, at the dinner-table of a modern pharisee, indignantly exclaiming to some group of leisured fox-hunters and successful capitalists that "we had heard quite enough of the working man"? Would the Apostle of the Gentiles, who saw in spiritual status no difference between the Roman master and his *slave* (conceive the feelings with which this simple truth must have been first heard!), be now attempting to repress, thwart, delay, adulterate, or even compromise concessions to these reasonable needs, or to deal with the workers by the empirical methods of a village dominie, with a judicious mixture of cajolery and ear-boxing?

Take again the question of representative government in our elementary schools. It is surely very short-sighted of the English clergy to resist all forms of representative government. A good despot, with or without a little senate of intimate friends, chosen on a co-optative principle, may perhaps often work well; but the drift of the age is against it; and though you can divert an afternoon's stormwater, you cannot stem back the tide. Let us agree that the ratepayers, *qua* ratepayers, have nothing to do with voluntary schools. Could not some generous scheme of parental representation be worked? People no longer believe on bare authority; on bare authority the working-classes will

not long support even a religious education. Admit them within the inner circle; give them an insight into its value, a constitutional interest in its maintenance, and they will be your best allies.

This question of school government opens out the whole field of higher education. It is a lamentable mistake to suppose that because the workers are not highly educated they do not know the value of a higher education. No sooner do a body of working men unite to start, say, a co-operative store, than they discover how much they have to learn. In every case known to us they do not despair, but set to work to supply their need. Similarly, without doubt, the desire as well as the need for technical and even literary education would surely spread with them, as it has with the middle classes, by planting the seed and allowing them to join in watering and pruning and training.

Here again is a further opportunity offered to us to show how we have learnt of Christ to do to them as we should surely wish them to do to us. We have to lend them our brains, in complete unselfishness, not that we may secure their favour, but even that they may, if need be, learn to do without us. It may be said that this would be a most undesirable result; but we may be quite sure that if the classes less high in the social scale could confidently reckon on the sympathy of those above them, in their efforts to raise themselves as high as possible, their very last thought would be that they should do without them. When once English working men have confidence in their leaders, it has been found that they have been rather too ready to follow than otherwise. But this allegiance would be inspired by quite another spirit than is now created by condescension or charity, or, it may be added, flattery.

For there are two things which the body of workers, taken in the mass, resent. They resent condescension, and they resent adulation. By nothing less than sympathy and self-sacrifice can be acquired the authority that can control the growth of false economics or class selfishness. And therefore it becomes of the utmost consequence what attitude we, as Churchmen, seeking to express the mind of Christ towards new problems, are likely to

take up in regard to the newly arisen and very seriously meant desire of the workers for more leisure.

Is it not obvious that without more leisure the higher culture must remain a sealed book to them? And yet, without some taste of this higher culture, what leisure they have is scarcely likely to be well used. One might as well hope to develop character by locking up a child after lessons were over till the next day's task should be due, as expect to do away with the attraction of coarse amusement by prolonging monotonous employment. Are we not bound to sympathize with this desire for more leisure? Indeed, is it not a sign of much promise that the desire for more leisure should at present be manifestly stronger than the desire for more wages? And, to secure a reasonable share of leisure for the mass of men, what more Christian claim can be urged than to be willing to make personal sacrifices? To our own leisure we owe certainly our cultivation and refinement, probably much of our religion. Men want time even to say their prayers, much more to learn how to enjoy a picture or a book. How can we refuse to labour in brain and life, if need be, to make these things possible for our less favoured fellows?

But, even if we shrink from the seeming risk of agitation involved in strong and emphatic advocacy of social reform, there is at least one parochial scheme we could promote both in towns and villages. Co-operative societies, by which are meant not limited liability companies, but genuine unions of working people, have had, in distribution at all events, astonishing success. In a small town like Berkhamsted, in Hertfordshire, a distributive union of 330 families already own, after a few years' effort, a joint capital of £3000. At the village of Childe Okeford, in Dorset, the Rev. T. G. Brymer commenced in 1883 a co-operative village store. In two months it had repaid the loan of initial capital of £200. Debt has been gradually abolished. The stimulating principle of a nest egg has been learnt by the poor. Wages are being more wisely spent. A beneficial change is passing over the cottages. Can nothing be done by clergy and laity to help forward such schemes as this? Our villagers are

mostly in debt; large numbers of small tradesmen in our poorer villages are half bankrupt; prices paid by the poor are inordinately high. Bad as the credit system is everywhere, there is no class so demoralized by it as the agricultural labourer. Some small tradesmen would no doubt suffer; but, after all, the world was not created for the middlemen, and the greater happiness of the greater number must in this case be our justification.

So far, mere questions of politics have been strictly avoided; for, though it cannot be justly said that the Church should have no politics, she should at least have no party. But, however desirous we may be to avoid saying anything that savours, however distantly, of mere political controversy, it would not be right to fail to put on record two points that cannot be entirely severed from electioneering.

One point is this. In very many places at the present time the clergy have exclusive control over the parochial school buildings. In villages at least there is often no other place available for public meetings. Yet even during the most recent elections, in country districts, it has been matter of observation that the meetings allowed in the schools have been constantly of one party colour only, and have been presided over by the rector. We will not ask if this is politic; for that it certainly is not. In more than one recent bye-election the rural labourer has rejected the favoured candidate. Pitted, so to speak, against his rector, he has won; and the reputation of his rector's Church has suffered. It has manifestly been in these cases most impolitic. But is it a high example at any time of Christian impartiality? Is it likely to lessen the estrangement between the labourer and the Church? likely to make him an impartial judge of school control, if a government ever propose to hand over Church schools to the ratepayers? No man, apart from such interests thus clearly risked, with any knowledge of the compromises, surrenders, and surprises of recent politics, can pretend that most of our party differences are not after all very human and reasonable. Why brand as immoral, by outlawry from the only public building in a village, the advocacy of opinions that, sooner or later—to judge from the history of the past quarter of a century—will be merely the tidemarks of your own advance?

And the other point is this. Large numbers of good Churchmen are the victims of an afterthought. They sympathize with very much in these social aspirations; they sincerely feel the force of the Christian argument in their favour; but, they say, if we join in promoting these changes, desirable as many are, we may help to put in power a party that wishes to disestablish the Church? Surely this hesitation to obey the voice of conscience is more dangerous to the interests of Christ in England than can ever be any threatened political action. Surely it is more Christian to "do right and fear not." For what, as Christians, we are concerned with is not the putting of parties in and out of power, but the leavening of public opinion and the lifting of human life. And if our leaders at this great crisis in English social history will only lead us, and we, Christ's humbler rank and file, will only courageously follow them, so as to do this with singleness of aim, the very danger that is dreaded, if it be really a danger, will pass away; at least, if undesirable or unjust, it will not appear, to those who will certainly have to decide it, to be less so by the fact that these social claims have been earnestly promoted by our sympathy and sense of justice. How could it be otherwise, when we should be translating into social action the Master's words, and "labouring not for the meat that perisheth, but for that which endureth" unto the higher life? For this is the ultimate purpose of all social advance. Higher wages, greater leisure, widened opportunities, roomier homes, it is sometimes argued, are in themselves of little worth apart from character and self-restraint. This no doubt is true; but to expect a development of high character and self-restraint without these is as reasonable as to expect a boy to learn to swim without water, or a plant to grow without sunshine or soil. Let us no longer claim to be "good Churchmen," as the phrase goes, if we shrink from a combined, active, and proclaimed policy of social progress; so doing, even if attacked by Samaritans, the trowel with which we are building will be a better plea in defence than the sword we are advised to carry; and if we fall, we shall at least be true martyrs and not monopolists.

T. C. Fry.

MAZZINI'S POLITICAL PHILOSOPHY.

MAZZINI'S career seems at first sight to be full of contradictions and surprises. The inspired prophet of the Italian idea, he was also the obstinate opponent of the men who realized it. The dominating motive of his life was devotion to Italy and hatred of Austria. His public career began in one dungeon and ended in another; and yet it was not the Austrian Government, but that of the House of Savoy, which imprisoned him alike at Savona in 1830, and at Gaeta in 1870. The fact is, that Mazzini was a political idealist, charged with both the strength and the weakness of such a character; and to this we must attribute the undoubted fact that he did as much as any man to baffle and impede a movement which he had done more than any one to promote. He was contemptuously intolerant of diplomacy, with its slow and tortuous methods, "its Macchiavellian artifices and Jesuitical reservations;" and was eager to give a literal translation, an immediate embodiment, to his principles.

"No nation," he tells the young men of Italy, in 1848, "can be regenerated with a lie;" he complains that, "whereas they ought to have advanced with the sword in one hand, and the gospel in the other, in the name of their rights and of their mission, in the name of their long martyrdom and of the mighty life which is striving in this sacred land of Italy,—they had, in matter of fact, advanced with Macchiavelli in their right hand, and, in their left, the statute-books of everlastingly perjured kings."[1]

Italy was to be free, united, and republican; the programme was one and indivisible. The popular will, which demanded unity and freedom, could only be legitimately enshrined in

[1] VI., 334-337. My quotations are from the complete edition which is being published at Rome; except in the case of the *Duties of Man*, where I have used the popular edition of that treatise, published in 1875.

republican institutions. It was not enough that a democratic spirit should mould the constitution and permeate the nation, and that a Sovereign should hold office, "by the grace of God and the will of the people;" the democratic idea was to be expressed in bricks and mortar. Mazzini was, indeed, ready to co-operate with kings and popes, a Carlo Alberto or a Pio Nono, for the attainment of unity and freedom; but he always declared that such co-operation was temporary and provisional, and felt sincerely relieved when some hitch or misunderstanding occurred to emancipate him from the unnatural alliance. The actual unification of Italy under Victor Emmanuel filled him, not with thankfulness and exultation, but with feelings of bitter disappointment and anxiety; and of Cavour he uses language which might sound exaggerated if applied to Metternich himself.[1]

But this was his weak side. Let us turn from Mazzini, the impossible politician, to Mazzini, the inspired prophet, whose breathing thoughts and burning words not only supplied the motive force of the Italian movement, but also contain lessons of permanent and paramount importance.

The central principle of his political philosophy is the principle of free association for the performance of a moral duty, which is also a religious mission. Both nations and individuals have some divine truth given them to express, some divinely appointed work to perform in the progressive revelation which God is giving of Himself in history.

"I believe profoundly," he says in his letter to Pio Nono, "in a religious principle, supreme over all the institutions of society, in a divine order which we must endeavour to realize here upon earth, in a law or plan of Providence, which we must all study and foster to the best of our ability. I believe in the inspirations of my immortal soul, and in the tradition of humanity."[2]

[1] *E.g.* "This charge, in which two distinct lies are contained, you have thrown in our teeth from motives of mere political artifice, in order to free yourself as far as possible from the reproach of truckling and cringing to the French Empire. Therefore, as hitherto I have loved you not, I now despise you. Hitherto you have only been our enemy. Now your very enmity has become a mean and disgraceful thing" *(Letter to Count Cavour*, X. 43*)*.

[2] VI. 157.

Equally emphatic is his faith in the special mission of modern Italy.

"I worship God, together with an idea which I think has come from God: Italy one; Italy an angel of moral unity and progressive polity to the nations of Europe. . . . I have studied the Italian tradition, and find Rome twice the ruler of the world: first in the person of the Emperors; later, in the person of the Popes. I believe in another manifestation of the genius of Italy; I believe that a new European world must grow up from the heights of the eternal city, where the Capitol once was and the Vatican now is." [1]

Mazzini detects a great blunder in the writings of the political philosophers who drew their inspiration from the French Revolution. It is the blunder of making *rights* or *interest* their starting-point, instead of duty and religion. The doctrine of rights, he admits, had accomplished much. It abolished corrupt forms of government, and achieved freedom in many essential points—freedom of thought, freedom of commerce, freedom of the press. But such achievements were merely negative. They cleared the ground for a new building; we are still at the threshold of the work. The theory of rights was—

"strong to destroy, but powerless to construct. It can burst fetters, but cannot forge the bonds of co-operation and love.[2] . . . In France, for more than sixty years, the doctrine possessed philosophers, moralists, apostles, soldiers, victories; 1789, 1830, 1848. Liberty was won; the doctrine of individual rights became incarnate in every citizen; but how many have profited by it?" [3]

The doctrine may issue indifferently in *Individualism* or in *Socialism.* Individualism is the doctrine of rights applied by each man to himself; Socialism is the same doctrine applied by the State to all men. Thus, in the discussion of Fourier's scheme, we are told that—

"the unity which he contemplates is only a theory of the *individual* applied to *all* men. . . . The notion of a social mission, of a duty of moral progress, and the consequent notion of authority, are unknown to him." [4]

Individualism is obviously the most natural form which this

[1] VI. 157. [2] VII. 283. [3] Ibid. 291. [4] Ibid., 317, 318.

theory of rights assumed; against Individualism, accordingly, Mazzini wages unceasing war. It is a principle which regards society as an arena for selfish competition, and law as an umpire which has merely to see that the rules of the game are observed. *Freedom,* is its watchword; *Each man for himself,* its motto. It has nothing of a binding power; it is centrifugal and competitive, and can only end in the triumph of the stronger; it is not a principle that can regenerate society. It is always powerless for good, and often dangerous.

"By exaggerating a principle contained in Protestantism, and which Protestantism is now forced to abandon, by deducing all your ideas solely from the independence of the individual, you have arrived at—what? In trade, at anarchy,—that is, the oppression of the weak; in politics, at liberty,—that is, the derision of the weak, who have neither means nor instruction, nor time to exercise their rights; in morals, at egoism,—that is, the isolation and corruption of the weak, who are unable to heal themselves."[1]

Still more explicit is the language used in *Democracy*:—

"Give the franchise to an uneducated people, ruled by blind instincts of hatred and revenge, and they will sell it or misuse it; instability will become the supreme law of the State, hindering all regular and progressive development of political life. Encourage material interests, and, if there is no moral idea to govern and control them, you will only increase the wealth of the few without aiding the crowd of producers. With minds trained to selfishness, with all that is noble in human nature strangled by physical enjoyments, you may win for your society the stagnation of a China."[2]

Moreover, the reason why Individualism fails to solve the social problem is that it takes a false view of the nature of man. It ignores duty, and makes pleasure the end of life; whereas pleasure is really a mere accident, which cheers a man's path in life, but which should not be allowed to influence his conception of its goal.

"The life of man is a journey with an object. . . . Pleasure and pain, misery and happiness, are incidents in the journey. When the wind blows and the rain falls, the traveller wraps his cloak round him, draws down his cap, and prepares to fight the storm. Afterwards, the

[1] *Duties of Man*, § ii., p. 27. [2] VII. 280, 281.

storm departs, a ray of sunlight bursts the clouds and cheers his frozen limbs : the traveller smiles and thanks God. But can either rain or sun change the goal to which he presses ? "[1]

In this connection, Mazzini well points out that Bentham's school put the cart before the horse in their peculiar way of asserting the identity of *the useful* with *the good.* Morality *does* incidentally produce useful results in the long run ; but the principle of utility can never inspire morality or self-sacrifice.

"The Useful is always the *ultimate* result of every great revolution, every great act of righteousness ; but what sacrifices are endured, what tears are shed, what blood is spilt, to attain the end ! The instinct of duty can constrain a people to sacrifice a whole generation on the field of battle, or in the slower and less showy martyrdom of civil strife ; but how can we exhort that very generation to sacrifice itself in the name of *its own* advantage, to perish for the sake of *its own* well-being."[2]

Individualism is often adopted by men who, in thought and action, are better than their creed, and who merely choose this theory in preference to the rotten organizations of the day. Such men have aspirations after higher things ; they would welcome a true social order if they could see one : "they are like Frankenstein's monster, pleading for a soul."[3] Thus, again, the main defect which he deplores in Carlyle, on whom he wrote an able article in the *British and Foreign Review*,[4] is that the English philosopher "merely considers the individual ;" that "he ignores the *collective* ideas and aspirations of humanity ;" that "the true sense of th unity of the race escapes him ;" that "he feels sympathy for all men, but separately, taken one by one, not in their collective life." He further remarks that, in consequence of this failing, Carlyle is deficient as a guide in present-day perplexities, where it is necessary to grasp the hidden working of obscure ideals which have not yet been embodied in any striking and powerful personality.

"Place in front of him some force, or idea, or fact, which has triumphed

[1] VII. 302. [2] Ibid., 299. [3] Ibid., 300.

[4] October, 1843. The article, translated into Italian, appears in Vol. IV. of *Mazzini's Works.*

over obstacles and produced practical results, and he will explain all that there is to be explained in it, and better than any one else could explain it. But bring this object down to the present, and (as with the 'Dannati' of Dante) his capacity of insight is clouded."[1]

It might have appeared probable that this strong dislike of Individualism would have disposed Mazzini favourably to the socialistic schemes of the day. But this was not the case. As suggested above, he sees in Socialism just the same idolatrous worship of *rights* which caused his quarrel with the opposite theory. Individualism is simply universalized, not transcended, in socialistic organizations. Socialism is the forcible establishment of the abstract individual. It attempts to apply to *all* individuals the same scheme of materialistic well-being which its rival had accepted as the gospel for each separate man. Accordingly, it is met by a vigorous and eloquent protest.

"You have no rule," he exclaims, "but that of *interest;* your religion is the worship of matter. You found man's body dwarfed and degraded by toil and poverty; and in your ignorant zeal you said: '*Let us heal the body: when the body is strong and fat and well fed, the soul will come down and enter it.* And I tell you, no; by the way of the soul alone can you heal that body; the soul is the seat of the evil; the wounds in the body are but the outward symptoms of an inward hurt. The origin of all the ills of humanity to-day is the lack of a common faith, a common thought, which shall restore the union between earth and heaven, the universe and God. In the absence of this religion of the soul, which possesses nothing now but dead symbols and empty forms, and in the consequent absence of all sense of duty, all power of self-sacrifice, man, like the savage, has bowed down before lifeless matter; in the vacant shrine he has raised the idol of Interest. And his first high-priests were the kings, princes, and corrupt governments of the day; from them the mob first learnt the horrible motto of the ethics of interest—*Each for his private good; each for himself.* . . . And you, who arose the day after, . . . have borrowed the weapons of the enemy, and have said to your followers: *They preach the interest of a single class; we will preach the interest of all.* An absurd and impracticable dream! Either you wish to be true to your worship of liberty, of the human *person*,—and in that case you will never be able to reconcile the general interest with that of the individual; you will

[1] IV. 251. Mazzini does full justice to what he considers Carlyle's great qualities, —his sincerity, his idealism, and his breadth of view.

find that the ultimate outcome of all material progress is the victory of the strong over the weak,—or, in seeking to avoid this danger, you will be constrained to violate liberty, which is the one pledge of progress you possess."[1]

Socialism is, in fact, one horn in the dilemma with which materialism is met. *Either* liberty, with indiscriminate competition and the triumph of the stronger; *or* State-regulation, with the apathy and deadness which must follow.

Mazzini's own ideal, and solution of the problem, is Democracy, conceived in a very lofty spirit as an organization resting on a basis of duty, and aiming at the moral education of man.

"Democracy," he tells us, "is not *the liberty of all; but a government freely accepted by all*, and working for the good of all. The world of to-day, whatever may be said to the contrary, is thirsting for *authority*. . . . We want some one to guide us, but we must have the office assigned to those who are supreme amongst us for wisdom and worth. We want a common ideal to unite and spur us to a common end; but the union must have our free consent, the end must be for all, and not for a class or sect. Far from tending to disorder or anarchy, Democracy tends to unity."[2]

So, again, "The problem of democracy is a religious problem of education."[3] Political and social reform is to be aimed at, not as an end in itself, but as a means to moral improvement. Shortened hours, higher wages, extension of the franchise, equality at law,—all are desirable, but desirable for that reason.

"You must seek, you will obtain these changes; but you must seek them as a means and not as an end; you must seek them from a sense of duty, and not merely as a right; seek them to make yourselves *better*, not *happier* in a materialistic sense. Otherwise, how would you differ from your tyrants? What makes them tyrants, but the fact that they look only at well-being, pleasure, power?"[4]

All true reform must aim at fostering a sense of duty and responsibility among the citizens; just as industrial reform must appear, not in the shape of compulsory communism, but in that of free co-operation.[5]

[1] VII. 341, 342. [2] Ibid., 284. [3] Ibid., 282.
[4] *Duties of Man*, p. 9. [5] Ibid., xi., § 4, p. 125, seq.

This is a principle which Mazzini is never tired of advocating. He tried to express it in various quixotic and pathetic ways,—in the night-school for Italian organ-grinders which he started in London;[1] and, again, in the magnanimous *Acts* of the short-lived *Roman Republic*,[2] in which he filled the office of Triumvir. In his sense of the ideal grandeur of democracy, he has much in common with Rousseau; in his view of the progressive development of a moral system, which is also the revelation of God's nature, he is in touch with Hegel.

I cannot here carry out these analogies. I have in this sketch merely let Mazzini speak for himself on some important subjects, in the hope that readers may be induced to study him for themselves. In spite of all the passion and prejudice which blinded him to the solid good which was being carried out by kings and diplomatists, he will be found to be inspired by an unflinching courage, a noble morality, and an unequalled insight into the spiritual issues of political and social life.

A. Chandler.

[1] V. 265; VI. 91.

[2] VII. 13, seq.

THE MALTHUSIAN ANTI-SOCIALIST ARGUMENT.

A CENTURY ago it was possible for a member of the well-to-do classes to possess two coats, not so much without any thought of him that had none, as with a comfortable feeling that he himself enjoyed more largely the favour of the Almighty. Children were brought up on a mental diet such as that provided in the following lines:—

"Come in, little Charlie, from the tempest and snow:
'Tis dark, and the shutters we'll close;
We'll put a fresh faggot to make the fire glow,
Secure from the storm as it blows.
But how many wretches without house or home
Are wandering, naked and pale,
Obliged on the snow-covered common to roam,
And pierced by the pitiless gale;
No house for their shelter, no victuals to eat,
No bed for their limbs to repose,
Or a crust, dry and mouldy, the best of their meat,
And their pillow a pillow of snows!
Be thankful, my child, that it is not your lot
To wander an orphan and poor.
A father and mother and home you have got,
And yet you deserve them no more.
Be thankful, my child, and forget not to pay
Your thanks to that Father above
Who gives you so many more blessings than they,
And crowns your whole life with His love."[1]

In these days few would not consider it blasphemous to assure little Charlie that his superior bedding and victuals came so directly from God. The gentleman who lately informed a railway meeting that "by care and the blessing of Providence"

[1] "Winter," by Ann Taylor, in *Original Poems for Infant Minds*. 2 vols, 1804 and 1805.

he had accumulated a holding of several hundred thousand pounds, was not taken seriously by his fellow shareholders. The more general impression among religious persons of the ordinary type is that "it was never intended" that some should be so rich and others so poor. Inequality of wealth is no longer looked upon as something of Divine institution which has to be accepted with resignation, like death and the weather. It is looked upon as an evil of man's creation, which should be tolerated only so far as it can be shown to be absolutely necessary. Together with the idea that the produce of the community's labour ought to be more fairly or equally divided, there has been growing up an opinion that every one who can ought to contribute to that produce. The "gentleman living on his own means," is, though rarer, a less respected object than he was. In a recent notorious lawsuit a young man, presumably the heir of vast wealth, was ridiculed in the witness-box because he had no remunerative occupation. The heroes of novels, though they still have a good deal of time at their disposal, are now seldom without a profession, and in real life the most inveterate idlers for the most part provide themselves with chambers or a studio in which they may pretend to work.

The idea that inequality of wealth is an evil is the basis of communism, and the idea that every one ought to work is very nearly connected with the socialist theory that rent and interest are illegitimate. So far as we are infected with these ideas, it is really true that "we are all socialists now." The ordinary British anti-socialist feels that there is a change of public sentiment, and consequently desires more than ever to be provided with conclusive demonstrations that communist and socialist theories can never be reduced to practice without resulting in disaster. He is consequently often discovered gloomily ruminating on what he calls the defection of the political economists. They write, he complains, no refutations of socialist works; the most of them support institutions and advocate measures which seem to him to have a decided socialistic tendency; and when Mr. Sidney Webb claims them all as socialists at the bottom, their protests, if made at all, are not

loud enough to reach his ear. It was not always so, he thinks. At one time he used to have no hesitation in mentally defining political economy as the science which proves socialism to be impossible. He has never read, and perhaps never seen, the works of Adam Smith, Malthus, Ricardo, and J. S. Mill (the only classical economists with whose names he is acquainted), but he has a firm belief that, with the possible exception of J. S. Mill, who fell, as he has heard, under evil influences in his later years, they spent a large part of their time in proving that the most unrestricted private property is both just and expedient, that everything socialistic or communistic is both unjust and inexpedient, and that by the eternal laws of the science the establishment and maintenance of complete communism is proved to be for ever impossible.

Now, of the four great writers, Malthus is the only one who could ever be claimed as an anti-socialist writer. The very mild anti-socialism of J. S. Mill's first edition would, as he admits, have been milder still if he had not wished to make his book suit the sentiments of the time; and it disappeared altogether as soon as public sentiment became more favourable and he had time to study the subject.[1] Ricardo, absorbed as he was in practical controversies as to the currency and the importation of foreign corn, had little time for the discussion of wild plans of immediate social regeneration or for speculations as to the possibility of socialistic changes in a remote future.[2] He was very

[1] *Autobiography*, p. 234. It must always be remembered, in criticizing J. S. Mill's *Principles of Political Economy*, that he composed the whole work of 1142 pages in about twenty months,—a rate which could not allow much time for study.

[2] When a motion for inquiry into one of Owen's schemes was brought forward in the House of Commons, he briefly declared himself "completely at war with the system of Mr. Owen, which was built upon a theory inconsistent with the principles of political economy, and, in his opinion, was calculated to produce infinite mischief to the community;" announced his intention of voting for the motion because he thought spade husbandry worth investigation, and that "they should separate such considerations from a division of the country into parallelograms or the establishment of a community of goods, and similar visionary schemes;" and then, trusting that "before he sat down, . . . the House would excuse his offering a few observations on what he considered the cause of the distresses of the country," delivered a long speech against the corn laws, and in favour of his favourite plan for paying off the national debt by an assessment on capital (*Hansard*, vol. 41, p. 1206, ff. Dec. 16, 1819).

hostile to the English poor law;[1] but this proves nothing, as it is very easy to be a socialist and yet agree with everything he says against the unreformed poor law. Adam Smith thought it very "absurd" to suppose that a Utopia should ever be established in Great Britain:—

"To expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain, is as absurd as to expect that an Oceana or Utopia should ever be established in it."[2]

He was also, of course, an enemy to nearly all the State economic action with which he was acquainted; but in his time such action was generally either merely meddlesome or else intended to benefit the rich and powerful at the expense of their less fortunate neighbours rather than *vice versâ*. Curiously enough, he seems to have had nothing to say about poor laws, except that the English law of settlement caused great inconvenience and injustice. But there is often a decidedly socialistic ring about his utterances. He says—

"It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged;"[3]

whereas the true anti-socialist says that equity has nothing to do with the matter. He allows the principle of progressive taxation to insinuate itself in the section on "Taxes upon the Rent of Houses," when he remarks—

"It is not very unreasonable that the rich should contribute to the public expense, not only in proportion to their revenue, but something more than in that proportion."[4]

And that he did not pronounce in favour of entirely free education seems to have been only because he feared that teachers paid by a fixed salary would be as negligent as university professors.[5]

[1] *Political Economy*, ch. v.
[2] *Wealth of Nations*, bk. iv., ch. ii., near the end (McCulloch's ed., p. 207*b*).
[3] Book I., ch. viii. (McCulloch's ed., p. 36*a*).
[4] Book V., ch. ii. (McCulloch's ed., p. 379*b*).
[5] Book V., ch. i. (McCulloch's ed., p. 352*a*; cf. 342*b*).

But Malthus was really an anti-socialist, and it is almost entirely from him that the anti-socialist reputation of the English classical school of economists is derived. The work on which his fame is founded was, in its first form, nothing but an anti-socialist pamphlet, and it furnished the anti-socialists of two generations with what they considered their most conclusive and irrefragable argument. It is evident that this argument no longer enjoys the repute which it did, and its loss of reputation has so much to do with what the anti-socialist calls the present "weakness" of political economy in treating socialist schemes, that it appears worth while to examine it in some little detail, and to endeavour to discover whether it has fallen into disrepute for good reasons.

It owes its introduction into economic literature, as is well known, to disputes which took place in 1796 and 1797, between Malthus and his father, as to "the general question of the improvement of society."[1] The elder Malthus was more or less enchanted by the golden dreams of Condorcet and Godwin, while his son, reversing the usual order of things in which age is pessimist and youth optimist, took a less rosy view of the future of humanity.[2] So long before as 1761, Robert Wallace had written the following passage :—

"Under a perfect government, the inconveniences of having a family would be so entirely removed, children would be so well taken care of, and everything become so favourable to populousness, that though some sickly seasons or dreadful plagues in particular climates might cut off multitudes, yet, in general, mankind would increase so prodigiously that the earth would at last be overstocked and become unable to support its numerous inhabitants. . . .

"Now, since philosophers may as soon attempt to make mankind immortal as to support the animal frame without food ; it is equally certain that limits are set to the fertility of the earth, and that its bulk, so far as is hitherto known, hath continued always the same, and probably could not be much altered without making considerable changes in the solar system. It would be impossible, therefore, to support the great numbers of men who would be raised up under a perfect government ; the earth would be overstocked at last, and the

[1] *Essay*, pref. to 1st edit. [2] Bonar, *Malthus and his Work*, pp. 6, 7.

greatest admirers of such fanciful schemes must foresee the fatal period when they would come to an end, as they are altogether inconsistent with the limits of that earth in which they must exist." [1]

After discussing various expedients, he concludes that artificial regulations—

"could never answer the end, but would give rise to violence and war. For mankind would never agree about such regulations. Force and arms must at last decide their quarrels, and the deaths of such as fall in battle leave sufficient provisions for the survivors and make room for others to be born." [2]

Malthus seized upon this argument, and endeavoured to make it still stronger. It supposes, he says, no difficulty to occur "till the whole earth had been cultivated like a garden, and was incapable of any further increase of produce," and "an event at such a distance might fairly be left to Providence." But, according to him,—

"the difficulty, so far from being remote, would be imminent and immediate. At every period during the progress of cultivation, from the present moment, to the time when the whole earth was become like a garden, the distress for want of food would be constantly pressing on all mankind if they were equal. Though the produce of the earth might be increasing every year, population would be increasing much faster, and the redundancy must necessarily be repressed by the periodical or constant action of misery or vice." [3]

Consequently, instead of only alleging with Wallace that a perfect government must eventually break down owing to the "principle of population," he declared the perfect and equal state to be impossible even for quite a short period. He says, in his first edition, that checks to the growth of population always have been and always will be necessary, that they all produce misery or vice, or both vice and misery, and that therefore vice and misery, or vice or misery, must always continue to exist.[4] The conclusion follows logically from the premises, but he gave no good grounds for either of his premises. His only reason for believing that checks to the growth of population are

[1] *Various Prospects of Mankind, Nature, and Providence*, pp. 114, 116.

[2] Ibid., p. 119.

[3] *Essay*, 1st edit., pp. 143, 144.

[4] See especially pp. 14, 37, 38.

always necessary, was that "population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio." [1]

If this were true, the constant necessity of checks would be proved at once. A quantity increasing like terms in geometrical progression, however small originally, and however small the common ratio by which it is multiplied, must, if given time enough, overtake a quantity which is increasing like terms in arithmetical progression, however large originally, and however large the common difference. To put the same thing into commercial language, the smallest sum accumulating at the smallest rate of compound interest must eventually grow bigger than the largest sum accumulating at the highest rate of simple interest. So, if population increased geometrically and subsistence only arithmetically, the increase of population would eventually be checked by want of food even if there had at first been an enormous surplus annual product of food. But as there never is any appreciable surplus product of food in an average year, population and subsistence must be supposed, so to speak, to start from the same line, and in this case the ever-present necessity of checks become immediately obvious. The annual addition to the population if "unchecked" would be greater every year, but the annual addition to the food could never exceed what it was in the first year.

Now Malthus was, of course, quite right in saying that an increasing population, if the checks on its increase do not alter in force, increases in a geometrical ratio. But he was completely wrong in saying that subsistence "increases" or can be increased only in an arithmetical ratio. His attempt to prove this proposition is extremely feeble—

"Let us now," he says, "take any spot of earth, this Island for instance, and see in what ratio the subsistence it affords can be supposed to increase. We will begin with it under its present state of cultivation. If I allow that by the best possible policy, by breaking up more land, and by great encouragements to agriculture, the produce of this Island may be doubled in the first twenty-five years, I think it will be allowing

[1] *Essay*, 1st edit., p. 14.

as much as any person can well demand. In the next twenty-five years it is impossible to suppose that the produce could be quadrupled.[1] It would be contrary to all our knowledge of the qualities of land. The very utmost we can conceive is that the increase in the second twenty-five years might equal the present produce. Let us, then, take this for our rule, though certainly far beyond the truth ; and allow that, by great exertion, the whole produce of the Island might be increased every twenty-five years by a quantity of subsistence equal to what it at present produces. The most enthusiastic speculator cannot suppose a greater increase than this. In a few centuries it would make every acre of land in the Island like a garden. Yet this ratio of increase is evidently arithmetical. It may be fairly said, therefore, that the means of subsistence increase in an arithmetical ratio." [2]

He seems to have overlooked the fact that to increase in a geometrical ratio is not necessarily the same thing as doubling every twenty-five years. It was no doubt impossible that the subsistence annually produced in Great Britain could be doubled every twenty-five years for an indefinite period. It was improbable that it could be increased every twenty-five years by an amount equal to the amount produced in 1798. But this does not prove that it could not increase in a geometrical ratio, or that it could only increase in an arithmetical ratio. If the amount produced increased only $\frac{1}{10000000}$ per annum, or if it doubled itself every fifty thousand years, it would be increasing in geometrical progression. Malthus prided himself on relying upon experience, but in this case experience was entirely against him. He admits, in fact he bases his whole work on the fact, that in the North American colonies the population had increased for a long period in a geometrical ratio.[3] This population must have been fed, and consequently the annual product of food must also have increased in a geometrical ratio. By the time he got to his sixth chapter, Malthus seems to have had some inkling of this objection to his argument, and he endeavours to answer it in a note—

[1] He means "again doubled." The original produce is "quadrupled," but the quadrupling takes place in the whole fifty years, not in the second twenty-five.

[2] *Essay*, 1st edit., pp. 21–23.

[3] Ibid., 1st edit., p. 20 ; cf. Appendix to 3rd edit., p. 12, n. (in 8th edit., p. 491 n.).

"In instances of this kind," he says, "the powers of the earth appear to be fully equal to answer all the demands for food that can be made upon it by man. But we should be led into an error, if we were thence to suppose that population and food ever really increase in the same ratio."

It is certainly difficult to see how we could be led into an error by supposing what is an admitted fact. However,—

"The one," Malthus continues, "is still a geometrical and the other an arithmetical ratio; that is, one increases by multiplication and the other by addition."

But if the population and food increased *pari passu*, it is impossible that the one could have increased in a geometrical and the other in an arithmetical ratio; so Malthus, instead of attempting to prove or explain directly his extraordinary proposition, resorts to his favourite device, and takes refuge in a simile.

"Where there are few people and a great quantity of fertile land, the power of the earth to afford a yearly increase of food may be compared to a great reservoir of water supplied by a moderate stream. The faster population increases, the more help will be got to draw off the water, and consequently an increasing quantity will be taken every year. But the sooner, undoubtedly, will the reservoir be exhausted, and the streams only remain. When acre has been added to acre till all the fertile land is occupied, the yearly increase of food will depend upon the amelioration of the land already in possession; and even this moderate stream will be gradually diminishing. But population, could it be supplied with food, would go on with unexhausted vigour, and the increase of one period would furnish the power of a greater increase the next, and this without any limit."[1]

It is doubtless true that if more water runs out of a reservoir than runs in, the reservoir will in time be exhausted, but this does not prevent the outflow from being increased in geometrical ratio until the reservoir is empty; and if it did, that would not disprove Malthus's own fact—that the annual supply of subsistence had doubled every twenty-five years in New Jersey.

In 1803 Malthus bowed to the inevitable, and abandoned the attempt to show, in spite of his own facts, that subsistence *never*

[1] *Essay*, 1st edit., p. 106, note.

increases in a geometrical ratio. The note just quoted did not appear in its place in the second edition,[1] and only its last three sentences were preserved and introduced into the discussion of "the rate according to which the productions of the earth may be supposed to increase" in bk. i., ch. i. In that discussion Malthus treads far more gingerly than he did in the first edition. He does not assert that subsistence never has increased in geometrical ratio, and practically admits that it has done so "sometimes in new colonies."[2] He merely asserts that subsistence cannot *in the future* be made to increase over the whole earth faster than in an arithmetical ratio. He arrived at this conclusion because he chose to take Great Britain as fairly typical of the whole earth, and refused to believe that subsistence in Great Britain could be made to increase faster than in an arithmetical ratio. This was leaving experience, and soaring into prophecy, and, like most prophets, Malthus turned out to be wrong. He lived long enough to record the falsification of his prophecies, though he seems to have been blind to the fact that they were falsified. When he prepared his sixth edition for the press, he had before him the results of the censuses of 1801, 1811, and 1821. On account of the uncertainty introduced into the statistics relating to males by the movements of the army and navy during the war, he preferred to estimate the growth of population by the numbers of females alone; and, after making all corrections and allowances, he gave the female population of England and Wales as, "in 1801, 4,687,867; in 1811, 5,313,219; and in 1821, 6,144,709."[3] These three terms are not in geometrical progression, but this is not because the rate of increase fell, but because it rose. As Malthus himself observes, the increase is 13·3 per cent. in the first decade and 15·6 in the second.[4] Had the population multiplied itself only by $1\frac{625352}{4687867}$ in the second as in the first decade, the number of females in 1821 would have been only 6,021,991 instead of 6,144,709. Now, if Malthus had been right in saying that subsistence could

[1] See p. 388. [2] Page 5. [3] 6th edit., vol. i., p. 444; 8th, p. 216.
[4] He says, "in the period from 1800 to 1821," but this is a mere slip of the pen or misprint for "1811 to 1821."

only increase in an arithmetical ratio in this Island (and *à fortiori* in England and Wales as being more "improved" and fully peopled than Scotland) the absolute increase of subsistence between 1811 and 1821 would have been no greater than the increase between 1801 and 1811, so that England and Wales would have been in 1821 only able to support a population (females only being reckoned, as before) of 5,313,219 + 625,352 = 5,938,571; and 206,138 females or 400,000 persons must have been "totally unprovided for."[1] The census of 1831, taken some years before Malthus's death, showed that the female population had then increased to 7,125,601; whereas, on the arithmetical-ratio basis of an addition of 625,352 each decade, it should have been only 6,563,923. Over half a million females, or about a million persons "totally unprovided for" in England and Wales alone! The theory, then, that subsistence could only at the outside be increased in an arithmetical ratio,—that "the yearly additions which might be made to the former average produce" could only at the very utmost be supposed "to remain the same," "instead of decreasing, which they certainly would do"—was quite untenable.

It is sometimes alleged that Malthus attached little or no importance to his geometrical and arithmetical ratios. Professor Marshall, after praising the *Essay* as "the first thorough application of the inductive method to social sciences," carries the language of apology so far as to say—

"In his first edition, however, he used an unfortunate phrase which did not express his real meaning; saying that 'population tends to increase in a geometric ratio and subsistence only in an arithmetic.'"[2]

The phrase "in his first edition" is itself rather unfortunate, as it suggests that Malthus did not use the phrase in the later editions. He did not, I think, use the rather modern-looking phrase which Professor Marshall attributes to him, in the first or any edition, but he used something like it in all six editions.[3]

[1] *Essay*, 1st edit., p. 24; 8th edit., p. 6.

[2] *Principles of Economics*, bk. iv., ch. iv. § 3, (1st edit., p. 228; 2nd, p. 234), note.

[3] In the first edition, p. 14, he says, "Population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio." In the

As for the phrase which he did use not expressing his real meaning, it is surely no kindness to his memory to suggest that in six successive editions, brought out during a period of twenty-eight years, in which he was "a favourite butt for the ridicule of shallow thinkers," [1] he, a man of education and a mathematician, placed in the very forefront of the battle, at the beginning of his book, a phrase which did not express his real meaning. And it is difficult to find any justification for dismissing the geometrical and arithmetical theory as a mere "phrase." Malthus himself, in the appendix to the third edition (1806), after mentioning "the comparison of the increase of population and food at the beginning of the Essay," goes on to speak of "the different ratios of increase on which all" his "principal conclusions are founded." [2]

Without the proposition that food can only be increased in arithmetical ratio the anti-socialist argument of the *Essay* cannot stand. Malthus has no answer except it to give to the adage "With every mouth God sends a pair of hands." In Malthusianism, as taught not by Malthus himself but by his successors, the law or the general rule of diminishing returns took the place of the arithmetical and geometrical ratios. To the adage "With every mouth God sends a pair of hands," J. S. Mill replies, "Yes, but the new mouths require as much food as the old ones, and the hands do not produce as much." [3] But neither the supposed general rule of diminishing returns nor the real law of which it is a very imperfect expression are nearly so effective as the arithmetical or geometrical theory in an anti-socialist argument. They both leave it open to the socialist to contend that, as a matter of fact, checks on the growth of

sixth edition (pp. 4, 5 and 6, in the 8th edit., the reprint published by Reeves and Turner), he says, "It may safely be pronounced, therefore, that population, when unchecked, goes on doubling itself every twenty-five years, or increases in a geometrical ratio," and "It may be fairly pronounced, therefore, that, considering the present average state of the earth, the means of subsistence, under circumstances the most favourable to human industry, could not possibly be made to increase faster than in an arithmetical ratio."

[1] Marshall, l.c.

[2] Appendix, p. 10. Reprinted in 8th edit., p. 489.

[3] *Principles*, bk., i. ch. xiii., § 2.

population are not now needed, and will not be for an almost indefinite period, and to disprove this positively is impossible, though few reasonable persons imagine it to be the case.

Having proved, as he believed, that checks are always necessary, Malthus, in his first edition, had next to prove that all checks are necessarily productive of vice and misery. Here he is very weak indeed. He spends much time in showing that population everywhere is actually checked and always has been checked by vice and misery,[1] but he does not show in any way that these checks are the only possible or even the only actual checks. And it is obvious that they are not. Persons who have once been born can scarcely be got rid of without misery or vice, and births may be kept down by vice. But births may also be kept down by mere abstention from marriage or postponement of the time of marriage. Realizing this, Malthus was obliged to contend that such abstention from marriage or postponement of the time of marriage led to vice, and constituted misery. There have, however, been many very virtuous and happy old bachelors and old maids, and a somewhat prolonged period of courtship is not always looked back upon as the most miserable period of life. Malthus was himself suffering the "misery" of having to delay his marriage when he brought out his second edition,[2] which he rightly looked on as a "new work."[3] Possibly he found the misery not so great as he expected. At any rate, he ceased to contend that all the checks to population are resolvable into vice and misery:—

> "Throughout the whole of the present work," he says in the preface, "I have so far differed in principle from the former as to suppose another check to population possible which does not come under the head either of vice or misery."[4]

This check is "moral restraint," or virtuous abstention from marriage, not accompanied by any appreciable quantity of misery. Having admitted this check, Malthus could, of course, no longer use "the principle of population" as an argument

[1] Chs. iii. to vii. [2] Bonar, *Malthus and his Work*, p. 412.
[3] Preface; in 8th edit., p. vi. [4] In 8th edit., p. vii,

against the ultimate "perfectibility" of mankind. But here Joseph Townsend, whose works he had read since the appearance of the first edition, came to his aid, and showed him how to use it against communistic institutions. Townsend had used what he, too, called "the principles of population" [1] in an argument against the English poor law, which he regarded as a partial establishment of communism.

"There is," he says, "an appetite which is, and should be, urgent, but which, if left to operate without restraint, would multiply the human species before provision could be made for their support. Some check, some balance is therefore absolutely needful, and hunger is the proper balance; hunger, not as directly felt or feared by the individual for himself, but as foreseen and feared for his immediate offspring. Were it not for this, the equilibrium would not be preserved so near as it is at present in the world, between the numbers of people and the quantity of food. Various are the circumstances to be observed in different nations which tend to blunt the shafts of Cupid, or at least to quench the torch of Hymen." [2]

Again and again, he argues that when a country is once fully peopled, the establishment of a community of goods, unaccompanied by restrictions on procreation, could only lead to universal starvation. Taking a hint from Townsend, then, Malthus, when abandoning the attempt to prove ultimate perfectibility impossible, fell back on the argument that an anarchist or communist organization of society must necessarily fail because the only check which is not productive of vice or misery—moral restraint—is dependent for its very existence upon the maintenance of private property:—

"The last check which Mr. Godwin mentions, and which, I am persuaded, is the only one which he would seriously recommend, is that sentiment, whether virtue, prudence, or pride, which continually restrains the universality and frequent repetition of the marriage contract. . . . Of this check . . . I entirely approve; but I do not think that Mr. Godwin's system of political justice is by any means favourable to its prevalence. The tendency to early marriage is so strong that we want

[1] *Journey through Spain*, 2nd edit., 1792, *passim*. See the index at the end of each of the three volumes, s.v. "Population."

[2] *Dissertation on the Poor Laws*, 1786, reprinted in Overstone's *Select Tracts*, "Miscellaneous" vol., pp. 423, 424.

every possible help that we can get to counteract it; and a system which in any way whatever tends to weaken the foundation of private property, and to lessen in any degree the full advantage and superiority which each individual may derive from his prudence, must remove the only counteracting weight to the passion of love that can be depended on for any essential effect. Mr. Godwin acknowledges that in his system 'the ill consequences of a numerous family will not come so coarsely home to each man's individual interest as they do at present.' But I am sorry to say, that from what we know hitherto of the human character, we can have no rational hopes of success without this coarse application to individual self-interest which Mr. Godwin rejects."[1]

This reasoning is sound enough against the anarchism of Godwin, but it has no force against well-ordered communism. A communist society could make "coarse applications to individual self-interest" by imposing on the too hasty lover penalties which, without being very severe, would be more alarming, because more immediate and certain, than the remote contingency of his widow and children becoming paupers after his death. It must also be remembered that though under present conditions prudence frequently counsels man against matrimony, it often, and perhaps almost equally often, counsels woman to marry. Marriage may be a lottery, but there are at any rate some prizes. Spinsterhood, except among the rich, provides nothing but blanks. Communism would, of course, remove the prudential stimulus as well as the prudential check; and, on the whole, it may be said with safety, that if population grew too fast, in spite of all the prudential check a communist society could impose, it would not be because that check was weaker than under a system of private property, but because of the greater weakness of the "positive" checks, neglect and disease. But as every one hopes that the positive checks will be weakened whatever organization of society is adopted, the greater weakness of the positive checks cannot be considered an insuperable objection to the socialist organization.

It may, of course, be suggested that the real superiority of the prudential check imposed by the existence of private property is not that it is stronger than the prudential checks imposed by

[1] *Essay*, 2nd edit., p. 386.

authority would be, but that it acts automatically, pressing strongly when a strong check is required, and pressing slightly when a slight check is required.[1] But it is impossible to see how this claim can be made out. It was long customary to refer to "the well-known fact" that the marriage rate fluctuates inversely with the price of wheat. The fact was so well known that it never appeared necessary to produce the figures by which it was shown, but if it ever was a fact in England it has now long ceased to be one. It does, however, appear to be true, that in periods of prosperity the marriage and birth rates are higher than in times of depression,[2] and to many this will appear at first sight to prove the automatic character of the private property prudential check. It might do so if periods of depression were due to over-population, but no one seriously believes that trade depressions come from this cause, and that when they disappear it is because the growth of population has been sufficiently checked. The increment of population which takes place in a trade cycle is far too small to produce such great effects. Malthus's own theory, that the pressure of population on subsistence comes from the difficulty of increasing the annual product of food *fast enough* to keep pace with the natural increase of population, has long ago been given up, and indeed forgotten. What is now taught is, that a too quickly growing population causes a fall in "the margin of cultivation," using the phrase in a wide sense as applicable, not only to agriculture, but to all industry taken together; and while, for example, it might have been the case that the increase of population between 1801 and 1868 had seriously affected the margin of cultivation, it is impossible to suppose that any appreciable effect could have been produced by the increase between 1868 and 1874, so the depression of the following years could not have been caused by over-population.

"Nevertheless," it may be urged, "if temporary depressions, arising from whatever cause, tend to increase the force of the present prudential check, then the more enduring depression

[1] Malthus himself says that making every man provide for his own children "would operate in some respect as a measure and a guide in the increase of population" (8th edit., p. 278). [2] See the Registrar-General's *Annual Reports.*

arising from over-population would also tend to do so." But this inference, plausible though it appears, is one which facts do not allow us to draw. Experience seems to show that where a population has long been steeped in poverty, the prudential check is weak, and that it becomes stronger with growing wealth. It has been too weak in the poverty-stricken past; and the present condition of France and the frequent complaints of the sterility of the new American race suggest that it may very probably prove too strong in the richer future. It is no wonder, then, that the socialist utopia-makers have never been convinced of the impracticability of their schemes by the Malthusian argument. The present prudential check is not so successful in its action that nothing better can be imagined to put in its place.

As yet, of course, the question is not one of practical importance, and it is not likely to become so for a long time. Such advances as have recently been made or are likely in the near future to be made in a socialist direction are, not on the whole likely to weaken the existing prudential check. The poor law doubtless weakens it to some extent, but, after all, the English poor law, both in its origin and working, is a gigantic charity-organization society, with the power of taxation, rather than a really communistic institution. It may be said that the State has weakened the prudential check by the socialistic measure of relieving parents of all, or most, of the cost of the elementary education of their children, and this, so far as it goes, is true. But while making elementary education free, the State has made it compulsory, and the consequent loss of the prospect of children's earnings must strengthen the prudential check far more than the disappearance of the somewhat lightly felt parental obligation to provide an education weakens it. Other semi-socialist measures, for the protection of children and women, also tend to strengthen the prudential check, while the institution of a State provision for sickness and old age would probably weaken the prudential stimulus. As for purely "municipal socialism," no one in his senses supposes that the birth-rate is raised by the public provision of baths, parks, and libraries.

EDWIN CANNAN.

THE USE AND ABUSE OF ENDOWED CHARITIES.

EVERY generation in its turn is the heir of those which have gone before. Among the most solid, material forms which its inheritance takes, we must reckon endowments, and with regard to these we have a twofold duty, we "look before and after." Thus, on the one hand, we have to utilize to the utmost the income which endowments give, and, on the other, to bequeath to our successors the *corpus* without waste or diminution at our hands,—we are in the position of life tenants of a property. But, inasmuch as the circumstances of each generation differ from those of the generations which have preceded it and which follow, we have a further duty, viz. to hand on a richer experience of the best methods of utilizing these same endowments, to increase the sum of knowledge on the subject. It is not merely the right, it is the pressing duty of every generation in turn to adapt its endowments to its own needs, so as to make them yield a maximum of good, or, at least, to do a minimum of harm. "What!" I hear the critic ask, "are we not to take any account of the founder and his wishes? Are those who bequeathed to us their wealth with so much of self-denial, and so much of sacrifice, not to have any voice at all in the application of their bequests? Have we no responsibilities toward them? have we the right to enjoy their bounty and ignore their wishes? These wishes are often expressed in the strongest manner. Take, for instance, the language of Mr. Emery Hill, a benefactor of Westminster in the seventeenth century:—

'And my will and meaning is that this Hundred Pounds, noe nor any part thereof, noe nor the least proceed thereof, be ever employed or made any other use of whatsoever so long as the world endureth . . . as they (the trustees) will answer the breach of this trust at that

great and dreadful day of judgment when and where every man must give an account of all his actions, whether good or bad.'[1]

Is so solemn an injunction to be neglected ?"

I wish to put this question as strongly as possible, apart from such arguments as that interference with the application of charities tends to check liberality, or, again, apart from appeals to human prejudice, and the mischief done by "gendering strife." I am not unmindful of the force of such arguments, but we have now to consider the proper attitude of a generation to its endowments, and I propose to deal, first of all, with the most general considerations involved.

I deny, then, *in toto*, the right of any individuals to force upon posterity, beyond reasonable limits, a definite employment of property. No one can possibly foresee the needs of those who come after him with sufficient clearness to justify his being entrusted with such a power. Innumerable circumstances may occur to convert the blessing of one generation into the curse of the next. On this point great differences are found in the dispositions of founders and benefactors themselves. Some appear to have a complete faith in posterity, some complete scepticism. Some are content with large general provisions, a sketch, a policy; others will have nothing short of a minute determination of every detail. Men's characters are seen as plainly in their wills as in their conduct. Thus the founder of Charterhouse, Thomas Sutton, after laying down the general lines to be followed in the administration of the great hospital which bears his name, added a provision that the resolutions of the governors for the time being should override his own directions. All was to be left fluid, each generation was to decide for itself the best method of carrying out the founder's wishes. Surely such a provision is a triumph of large-mindedness, no less than of true humility! The governors, no doubt, have not been always wise; they have at times lost sight of the higher in the more immediate good: but the prosperity of his hospital, the continuous success of his school, are not a little due to the power which Sutton left

[1] From the interesting and careful *First Report of the Trustees of the Parochial Charities of Westminster*, 1890,—a record of wise action.

of adapting his foundation to the needs of the hour. Compare with this the course taken by the "sole and munificent" founder of Winchester College. Wykeham left minute instructions on every point of detail. So careful was he for the health of his scholars, that he specified the weight of the sheep which were to be killed for their table. *Litera scripta manet.* Years passed, and centuries. The agriculture of this country was revolutionized. The merino was introduced and the turnip. Breeds were multiplied, crossed and improved, till at last a sheep of the required weight became a rarity. The authorities of Winchester were faithful to the letter of their statutes. Hampshire was scoured to find sheep *lean* enough to satisfy the founder's requirements. Consumptive, asthmatic, atrophied wretches were driven down from the folds, secure of a market, to grace the College board. Haste was needed to anticipate their end,

"Inter cunctantes cecidit moribunda ministros."

Let us begin with a class of cases about which there will probably be no difference of opinion,—I mean endowments which are producing definite, demonstrable evil. This may be the result of the object itself, or of the means to attaining it. Thus, for instance, a sum of money may be left to maintain and repair a pump which supplies a village with drinking water, and circumstances may render the pump unfit for use, or even deadly. The pump must be abolished. No one, surely, in such a case would object to the use of the benefaction for some other purpose; but those who object on principle to all interference with the founders' wishes, who lay it down that we have no right to enjoy their bounty unless we carry out their directions, are logically bound to abstain from using the endowment at all. Let us take another instance, quoted by Lord Hobhouse in his able work *The Dead Hand.* George Jarvis, in the year 1793, left his property, of the value of about £100,000, to trustees for the benefit of the poor of three parishes in Herefordshire, whose united population did not exceed 900. The income of the endowment was to be distributed in money, food, physic, and clothes.

The official report of Mr. Hare gives the following description of the results of this charity :—

"The distribution of £2300 a year in alms brought into the parishes, not labourers seeking employment where it was likely to be found, but persons naturally desirous of participation in gifts which could be obtained without labour. The landowners, or wealthy inhabitants, were not likely to make any provision for the residence of increased numbers, whose immigration they did not invite ; but, as habitations were necessary, the cottages became more crowded ; houses, not more than sufficient for one family, were divided into two or more, and other dwellings were built, not the production of capital directed to the supply of a local necessity, or in situations adapted to the convenience of the employer and the employed, but built by the poor themselves, or those little above them ; some on waste, and others on remote spots, with regard to little else than mere shelter. I will not venture to repeat the traditions which are current of the evils which this state of things created ; but the inhabitants of the country round these parishes who remember their state some years ago, are uniform in their testimony of the demoralization of which the poor were by this means made the victims. Their mode of existence is said in some respects to have resembled that alternation of want and repletion which is characteristic of the savage state. The absence of regular employment for so many persons often occasioned, at times, want and suffering, whilst the large quantities of food distributed at other times led to great excesses. No habits of care or providence taught them to husband that which it had cost them no labour to obtain ; and where poverty was the title to participation, there was little encouragement to that steady industry which could alone avert it. Idleness, discontent, and improvidence were found to be the fruits of this ill-conceived and ill-judged gift, to which must be added an immorality of life, the results of which are yet distinctly felt ! In thirty years the pauper population had increased sixty per cent."[1]

In both these cases, the real and the imaginary, the principle is clear, viz. that the power of a testator to decide what use shall be made of his bequest is limited. Granting that the use he prescribes is injurious to men, it is to be set aside. Stated in this bold form the proposition seems self-evident, but the principle is of the utmost importance.

Let us take next a class of cases in which endowments do,

[1] *Letter to the Bishop of Hereford by T. Hare*, 1856.

not positive harm, but questionable good, where the evil probably outweighs the good. Take, for example, doles. No form of bequest was at one time more common. In almost every parish in England some person has decreed that a certain number of shillings or half-crowns are to be distributed on his birthday, or some saint's day, or some special Sunday. Various qualifications are attached. The recipients are sometimes to be single, sometimes married, sometimes widows; they are to appear in person in almost all cases: or, again, so much is given for each child, and a vigilant almoner has to detect, like a modern Solomon, false claims of parentage. It is now the universal opinion of those best qualified to form one that such distributions do more harm than good to the recipients; that irregular, spasmodic bounty of this kind inflicts an injury on their characters far outweighing any benefit it confers on their bodies. Doles, therefore, are placed by the unanimous verdict of experts among the charities which do positive harm. But I am content to say, for the purpose of my argument, that they do questionable good, that their object, their fitness is gone.

The same thing may be said of almshouses. In the old days—as now—the houses of the working class were often bad, and there was then no legislation or machinery for improving them. Charitable persons, in advance probably of their time, strove to secure that, for a certain period of life at any rate, a man should have a sound roof over his head. But the change of times has shown that in many ways this particular form of answer to the "bitter cry" is unsatisfactory, and that a very small number of almshouses is sufficient to meet the cases which are suitable for them. The life of an inmate of the almshouse "leaves much to desire." Loneliness in old age is itself an evil. Relations are apt to tire of the duty of looking after an old recluse; his surroundings become squalid and dirty for he is incapable of attending to his own wants. His temper is often soured by isolation and neglect, real or fancied.

> "No friends with soft discourse his pain beguile,
> Or promise hope till sickness wears a smile."

Add to this, the corporate life of an almshouse is seldom satisfactory. Quarrelling and gossip fill up a large part of the day, and the brethren too often miss the blessing which is promised to those who "dwell together in unity." Lastly, I would add that almshouses run counter to a high ideal of family life, in which the old and the helpless have a place no less than the young, the active, and the strong. In Oxford stood a range of buildings, of no mean beauty, in which a set of rooms was reserved for an old man from each of the parishes in which the founder had property. What was the result? A man was brought in his old age from his native village in Cambridgeshire, Lincolnshire, or Hampshire, was put down amid wholly strange faces and new surroundings to begin life again. Truly, as Burke says, "an oak should not be transplanted at fifty!" "You think, then," I hear the critic say, "that Colonel Newcome would have been happier with the Campaigner than at Charterhouse?" There are exceptions to every rule.

Take, again, all those charities, and they are very numerous, for distributing bread at certain seasons.[1] The fall in the price of bread has often increased so enormously the amount which the income of the charity will purchase, as to raise a difficulty in distribution. It is always a questionable kindness to provide the able-bodied with the necessaries of life out of charity; the history of the poor law shows this. And yet, if the letter of bequests were faithfully followed, parishes would be on certain days provided with bread far more than sufficient for the need of the aged and infirm, the widow, and the orphan. The form, too, of the charity is quite out of date. In old times, no doubt, the fluctuations in the cost of living from year to year made such distributions a real boon, but free-trade has changed all that, and they are now of doubtful value.

I have dealt at some length with cases of what may be called "questionable kindnesses," in order to show how impossible it is to avoid introducing some changes into the administration of

[1] "He left a pittance bound in rigid trust;
Two paltry pounds, on every quarter-day,
(At church produced) for forty loaves should pay."
CRABBE.

charities as time goes on; and I wish to make it clear that, once granting the duty of change, there is no principle which can be laid down, save that of bringing the endowments into line with modern ideas of fitness. But let me not be thought to be altogether careless of founders' intentions. I hold strongly that, by keeping these steadily in view, as to the *genus* rather than as to the *species* of the charity, just that healthy variety of charities may be secured which is so needful for their usefulness. The point to which trustees must be ever directing their attention is the drift and tendency of a charity. How far is it securing a useful purpose? How far does it require modification? How far is it tending to deteriorate and become a curse and not a blessing? To quote Lord Westbury's words in a well-known decision,[1]—

"You look to the charity which is intended to be created, and you distinguish between it and the means which are directed for its accomplishment. Now the means necessarily vary from age to age. Take a charity . . . for the relief of the poor. The condition of the charity as of the locality may have dictated what were at the time very convenient means for its proper application. In the progress of society, however, with the greater diffusion of wealth, and the growth of population, the means originally devised may become inadequate to the end, and courts of equity have always exercised the power of varying the means of carrying out the charity from time to time, so as to secure more effectually the benefits intended. It is true you cannot substitute one charity for another. You may substitute for a particular charity which has been defined and has failed another charity *ejusdem generis*, or which approaches it in its nature and character; but you cannot take a charity which was intended for one purpose and apply it to a purpose altogether different."

This is a point on which unanimity will be found only in Utopia. Men will always fall into two classes—those who look backward, and those who look forward. Some will always be thinking of the good results of a charity in the past, and will be blind to altered circumstances and changed conditions, to the evil which now is. Others will be impatient of evil in germ, which their prophetic soul sees already in its full development,

[1] Clephane *v.* Lord Provost, etc., of Edinburgh (1 H. L. Sc. 417).

they will be pressing for change, as a guarantee against possible rather than actual mischief. The two parties will have many a fight over principle and detail. But before laying down any broad general rules for the administration of endowments, we must consider shortly their legal position and the authorities connected with them.

First, the question may be asked, "Granting that our duty with regard to endowments is clear, that we have the will to reform and adapt them to modern needs, have we also the power?" Happily, on this point there is very little room for doubt. Recent decisions have confirmed to trustees the fullest freedom in the treatment of bequests. The case which is accepted as the ruling authority in the matter is known as the Campden Charities Case. The facts were as follows. Lady Campden, dying in the reign of Queen Elizabeth, left £200 to be laid out in land, to provide £10 a year to be applied for the benefit of the poor of Kensington. One half was to be distributed in the church porch, and one half to be expended in apprenticing one or more poor boys. By the middle of the present century the property purchased under Lady Campden's will was producing £2,200 yearly. A scheme was framed by the Charity Commissioners for the application of it, and an appeal was made to the law to restrain the trustees from any application which did not literally comply with the terms of Lady Campden's will.

In a masterly judgment, delivered in the Court of Appeal, Sir G. Jessel pointed out that there had been (1) an enormous increase in the value of the charity; (2) a total change in the circumstances of Kensington, which at the time of the bequest was a small village, and had become a wealthy suburb of London; (3) that the habits of society, the ideas and the practices of men and legislation had changed, and that, consequently, it was a case for applying the doctrine of *cy-près*, or of substituting some kindred purpose for that specified by the testatrix, or, rather, some kindred means for realizing her purpose. As to doles, "a practice which, I think, would be more honoured in the breach than in the observance," the result of experience showed that "an extension of them is an extension of mischief."

The growth of the charity had made it impossible to adhere closely to Lady Campden's instructions, for a close adherence, with all its resulting demoralization, would defeat her purpose. There is, therefore, no obligation to distribute the charity in doles, or in personal payments at all. As to apprenticeships, the change had been at least equally great. Whereas £5 a year for the apprenticing of a poor boy might be a reasonable form of bequest when apprenticeship was universal, it was far otherwise with £1,100 a year at a time when apprenticeship was fallen into disuse. The trustees might take a large discretionary power in applying the endowment to any kindred purpose. The upshot of the judgment is that, granting the object of the founder is kept in view, a free hand is given as to the means by which that object is attained. In the case of Lady Campden's Charity, a scheme was allowed and confirmed which had been drafted by the Charity Commissioners, and provided for (*a*) the relief of persons in exceptional sickness or distress, the provision of surgical and medical aid, pensions to the aged and infirm; (*b*) apprenticing boys, paying school-fees for children remaining at school after the age of eleven years, exhibitions at technical schools, evening lectures and classes. The doctrine of this decision was subsequently adopted in the Act of Parliament which regulates the City of London Parochial Charities.

I pass on to notice in this connection the history and the powers of that well-abused body, the Charity Commission. Previous to the year 1853, endowed charities were under the regulation and control of the Court of Chancery. Their representative, so to say, was the Attorney-General.

He, "representing the Crown in its character of *parens patriæ*, was the protector of charities, as the property of the public, and could sue *ex officio* by information for the reform of abuses to which they might be subject; he alone could bring such a suit, but he might be set in motion by any person who complained of the administration of any charity."[1]

[1] R. E. Mitcheson, *Charity Commission Acts*, p. 3: a book to which the writer is greatly indebted.

A general feeling that the state of endowed charities throughout the country was bad found expression in a motion by Mr. (afterwards Lord) Brougham, who, in 1818, proposed the appointment of a Commission to inquire into them. The Commission was appointed and sat till 1837, with various changes both in its *personnel* and scope. Its report, in thirty-eight folio volumes, dealing with some twenty-eight thousand charities, is still the chief authority on the subject. A second Commission, known as Lord Chichester's, was appointed in 1849, to report on the reports of the former. The outcome of its labours was the passing, in 1853, of the Charitable Trusts Act, under which was established the first permanent Charity Commission, of three life members, and a fourth holding office during her Majesty's pleasure. The Commissioners were to inquire into the condition and management of charities, to control and guard the *corpus* of charitable property, to frame schemes of administration. In 1860, large judicial powers were added. They were to make orders, upon application, for the appointment and removal of trustees, for the transfer, investment, payment, etc., of funds, and for the establishment of any scheme for the administration of any such charity. But these large powers were limited by a provision that, in the case of charities exceeding £50 annually in value, they were to take action only when moved to do so by the trustees. In 1874, the Endowed Schools Commission was amalgamated with the Charity Commission, and in respect of such schools the powers of the Commissioners are far larger than in respect of charities. The present position of the Charity Commissioners may be thus summarized :—

1. They are guardians of the *corpus* of a charity.

2. Charitable funds may be invested in the name of their secretary as official trustee, and the income paid over to local trustees.

3. They alone can approve schemes, and, for all charities under £50 annually in value, they can initiate them.

4. They can call for a statement of the accounts of any charity at all times.

5. They can hold inquiries, when called upon to do so, into the state of any charity.

But, on the other hand,—

1. They have no power of audit—the great weapon in the hands of the Local Government Board.

2. They cannot, of their own motion, interfere with the application of the income of a charity of less than £50 annual value.

Thus a clear division of the field is made. The central body, the Commissioners, have charge of the principal, the local body of the income. The Commissioners represent the rights of posterity, the local trustees secure the best interests of the present generation. The existence, therefore, of this central body in no way relieves the local trustees of their responsibility, nor does it seriously hamper their freedom of action. They are indeed a check on trustees as regards the investment of the capital of a charity, and it is difficult to find fault with such an arrangement. A permanent body may be trusted to take a larger, more general, more proportionate view of the permanent interests of an endowment. In the administration of charities, they exist rather to advise than to control. No doubt, they have a restraining power, inasmuch as changes in the application of a charity must have their sanction, but, in the absence of an audit, this power rests on a moral rather than a legal basis. They can call for accounts, point out irregularities, and, in the last resource, take action as representing the public, but they cannot enforce their views as to a better application. Lastly, they serve a most useful purpose, as official trustees. It saves an immense amount of trouble to invest charitable funds in their name, and to receive the dividends from them, for if the investments stand in the names of local trustees, constant changes must be made in case of death or removal. Such changes involve expense, and as the history of charities shows, not infrequently loss.

It remains now to consider the best methods, according to our modern lights, of applying charitable endowments. Let us take, first of all, some negative rules which it is always wise to observe.

1. Endowments should never be used to eke out poor-law relief. It has been clearly laid down as a point of law that charities given to the poor in general terms, and charities for the

relief and support of the poor are not applicable in aid of parish rates.[1] It is also most undesirable that they should be so applied. They become at once a relief to the rate-payer, not to the pauper, and they release the guardians from one of the most pressing of their duties. For the guardians are bound to relieve destitution, and to relieve it adequately, and if they know that their relief will be supplemented from other sources they will neglect to do so.

2. Endowments should never be given in the form of spasmodic help. The reasons which underlie Sir G. Jessel's denunciation of doles are very sound, and doles stand condemned at the bar of modern experience. They tend to form irregular habits, for periods of comparative plenty alternate with periods of want. They tend to produce a chronic state of indebtedness, for the recipients are generally in debt up to the full amount which they anticipate. They are not sufficient to keep a man above chronic want, but they are sufficient to discourage regular work. They are either too much or too little: too much, if a man is to be preserved from a state of dependence; too little, if he is to be raised above it.

3. Endowments should very rarely be used to relieve normal cases of individual poverty. This is a more disputable point than the preceding, and something must be said in support of it. The principal argument, I suppose, against the indiscriminate granting of relief under the old poor-law, was the deterioration of character which followed it; at any rate, the fact is set forth in the evidence published by the Commissioners in 1834. Let it suffice here to say, that the independence of the English working class was being destroyed by the removal of the necessity to provide for ordinary needs, that family responsibility was terribly weakened, and the motive to industry removed. The same results will follow from an administration of charity which fails to avoid the errors of the old poor-law. The first question which a trustee of a charity should ask himself is this, whether a particular application of its funds is likely to weaken or to strengthen character. Character, remember, is

[1] See 32*nd Report of the Charity Commissioners.*

weakened in proportion as a man is tempted to look to others to provide for him, rather than to make provision for himself. The distribution, for example, of bread to ablebodied labourers is likely to damage their independence, to induce a habit of mind characteristic of serfdom rather than of freedom. The certainty or probability of assistance to children, in the form of doles, of apprenticeships, scholarships, and what not, without any such test as examination gives, and simply on the ground of poverty caused by a large family, is likely to weaken a man's sense of responsibility, and, so, his self-respect. In a word, against the ordinary ills of life, against the ordinary incidents, among which must be numbered the support of wife and family, old age, and sickness, it is the duty of every man to make provision, and to remove that duty is to weaken his manhood. If charitable endowments are used for any of these purposes, the greatest care is needed in their administration to prevent harmful results. It is the more necessary to make these remarks at the present time, because many new schemes, issued by the Commissioners for local charities, embody a system of pensions for the aged. These pensions are suspiciously like the outdoor relief of the poor-law, and they will produce the same evils if they are not carefully watched. The area of the mischief will, no doubt, be smaller, inasmuch as they are necessarily limited in number by the value of the endowment, but within that area they may do untold harm, and, as a general result, increase the poverty which they are designed to relieve. There are but two classes of cases in which pensions are likely to be beneficial. (1) They may be very properly given to those who, during their working life, have made a real effort to provide for their old age, but whose provision has been lost to them by circumstances beyond their own control, such as the dishonesty of bank or club officials. These cases are rare, and even here it must be borne in mind, that the more the disastrous results of such dishonesty are cancelled by charity, the less ground will the poor have for exercising care in their selection of clubs or savings banks. (2) In districts where the action of poor-law guardians in reducing outdoor relief has been sudden, or, possibly,

capricious, pensions may, for a time, be useful in tiding over the change. They may properly be used to provide for persons who, having been brought up all their lives to count upon relief, are disappointed of it in their old age by the change of system, and, further, whose youth and middle-life was spent in a time when the opportunities for making provision were far fewer, and the habit of provision was far rarer than at present. All cases of individuals outside these should be left to individual charity. I may note here, in passing, that to carry out any system of pensions a considerable amalgamation of charities will be required. It is a first condition of charitable help that it should be adequate to its object, and the rise of what Mr. Marshall so happily calls the "standard of life," necessitates an equal rise in the scale of assistance. Hence a large number of doles will be required to make a very small number of pensions.

(4) To venture on yet more debatable ground, it is difficult, almost impossible to resist the conclusion of the best experience, that charitable endowments should be administered without reference to religious belief. To many this will be a hard saying. It will seem to them a surrender to throw open to the world endowments hitherto confined to their own religious body. And yet, what sight is more terrible than a church crowded on some special day when a dole is distributed? Men and women who never "darken a church door" use the sacred services of the Church as a means to their own material ends. Or, again, what is more painful than to see the aged and infirm dragged out in all weathers to qualify for some charity which is distributed either in the church itself or in the porch? Every form of religious test for the enjoyment of charity is a direct incentive to hypocrisy. It not merely damages the charity by making it a source of weakness of character rather than of strength, but it does infinite, untold harm to the religious body itself. All such charities supply an excellent illustration of cases in which the good at which the founder aimed is undone by the means which he chose. Such foundations, therefore, are a fit and proper subject for reform.

Now that we have cleared the ground by stating certain

restrictions on the use of charitable endowments, let us pass on to see in what ways they may be made to advance the well-being of our generation. One practical rule we must keep always before us, viz. that endowments should be made as far as possible to strengthen not to weaken character, and therefore to prevent rather than to cure poverty, and to hinder poverty from sinking into pauperism. With this object, the Charity Commissioners are undoubtedly wise in limiting as far as possible the application of endowments in the relief of individual cases of distress. Let us take, first of all, endowments which were originally intended to help to a solution of the question of the housing of the poor. It is not, as we have seen, a good thing to add to the number of almhouses in a town; indeed, as a rule, it is better to reduce the number already existing. It would probably not be wise to apply the funds to the erection of model dwellings. There is good ground for thinking that we are as yet very far from finality in such matters, and it were better to leave all such undertakings to private enterprise. But endowments may very properly be devoted to improving the general conditions of life in a town or in a quarter, to the increase of open spaces, or the beautifying of those which already exist, to add to the number of the things which make for the wholesomeness, the enjoyments, and the graces of life. They should supply the luxuries, not the necessaries of existence.

Take, again, charities originally devoted to a particular form of education, viz. apprenticeship. A certain part may still be usefully employed on this object, although the value of apprenticeship differs greatly in different trades, and, speaking generally, it is growing less and less popular. Part may be diverted to assist technical education, but this is being so generally undertaken by the State that the assistance of charity should be most carefully given. But in every town and every village a variety of means and appliances may be devised for raising the intellectual level, and to any such charitable endowments may fittingly be devoted. If it is argued that in this way many people enjoy the advantages of charity who are really not in need of it, the answer is that the indirect gain to the poor of a

high standard in such things more than counterbalances what may seem, at first sight, to be an immediate loss. The precise form in which these advantages can be secured will probably differ in each locality. Scholarships may be given to boys and girls in elementary schools which will enable them to pass on to higher schools: help may be given to free public libraries—a potent instrument in general education, and the logical complement of free elementary education. Lectures and teaching of a kind which is not likely to be sufficiently popular to be remunerative may be for a time supported, until the demand for them has been created. In all such ways the aims of founders may be realized by a simple, but thoroughly consistent application of means adapted to changed circumstances.

Charities left in general terms for the relief of the poor are far more difficult to distribute. If it is unwise to apply them to individual cases, how can they be used collectively? Institutions for the benefit of the poorer class, hospitals, dispensaries, and the like may be supported, and great good may result from the establishment of a system of organized nursing in a town or district. All these supply what is beyond the reach of the average poor man. He cannot by any provision on his own part secure the skill which is required for surgical operations, or even thoroughly good attendance, and both these are essential to restore him to independence. It may be advisable, under certain circumstances, to secure the use of one or more beds at convalescent homes to carry on the benefit which the hospital has begun, but in most cases private charity is sufficient for this end. Here, as always, caution is needed. It is not, as a rule, advisable to expend endowments in subscriptions to institutions. The annual charges should be met out of the annual income, or out of the gifts of individuals, and to eke out the annual income is merely to reduce the subscription list. But endowments may be usefully employed to meet large capital expenditure, the building of a new wing, the reconstruction of a ward, and so forth. No institution should be taught to rely on the help of endowed charities as an annual grant, but only when some fresh

start is being made. To meet such calls upon their funds the trustees of endowments will do well to let them accumulate till the need arises; it is better to help on some considerable undertaking with a large grant, than to fritter away an income in small sums.

It is obvious that the administration of charities on such lines as I have sketched is no easy work. A trustee—it is almost a commonplace to say it—must combine the qualities of watchfulness and elasticity. He must be on his guard against wastefulness and mismanagement, no less than the smallest approach to partiality or favour. He must keep his mind constantly open, lest the application of funds become crystallized. We live in a time when constant change is needed to adapt old institutions to new circumstances. The means employed to secure the aim of a charity must be constantly revised, for routine is a great enemy to usefulness. To carry out reforms many moral qualities are needed, for the proposal to modify the distribution of charitable funds will stir a neighbourhood to the depths. Every sort of prejudice is wounded, and every kind of obstacle will be placed in the reformer's way, if his work is worth doing. The temptation is to let things be. But such a temptation is not to be heard for a moment; it is a duty which we owe to the poor to make these legacies from the past fruitful to their advantage, even against their own idea of that advantage. In such matters tact and temper are no less needed than courage, and tact and temper will soon modify opposition, nay, will persuade opponents that they originated the reforms themselves. Reason will gain the day and justify the reformer: as matters now stand, she is calling loudly for him in almost every town and parish in England.

L. R. Phelps.

NOTES AND MEMORANDA.

The Farmers' and Gardeners' Supply Society.—This is the name of a small society which has been set up in London for the purpose (if possible) of bringing the growers and consumers of agricultural produce into direct communication with one another. It took its rise in an accentuated notice by myself of the seemingly needless high price which was being paid by poor people in London for common vegetables. I will not go at length into the details of the subsequent inquiries which were made. It is sufficient to say that, from Lisson Grove to Lime-House, I found the price of, *e.g.*, a bunch of carrots, containing about nine, was from threepence to fourpence, while a bushel, holding between sixty to seventy, were to be bought for fourpence near a railway station on the Great Eastern, three hours distant from town. I purchased ten bushels myself in Suffolk at that rate. They were the produce of an allotment holder, who asked me to buy them of him. The London retail price, also, of a single large parsnip I found at the same time to be one penny. Thus I was tempted to set down the result of my inquiries on paper, and offer it (with some accompanying tentative observations) to the editor of *The National Review*, who published it under the title of *Farmers in Chains*. I was curious to see whether any notice would be taken of my little essay, and had not long to wait. The leading London journals and a procession of provincial papers had immediately much to say about the matter. And they all sang the same song, in various notes. It was about the "superfluity of middlemen." Of this, and their assumed rapacity, I had long heard in the tales of aggrieved farmers in Suffolk. One man had tried to sell his walnuts in town, and had received one shilling a bushel for them. Another had sent up about twelve pounds' worth of greens to the London market, and had been charged between four and five for the disposal of them there. This, of course, took all the gilt off his gingerbread. Another not only failed to get a price for a small consignment of his farm produce, but had great difficulty in securing the return of his sacks.

It was not to be wondered at that the newspapers (especially in the country) spoke as they did. One voice of complaint at the way in

which communication between growers and buyers was hampered by the present conditions of sale arose from the United Kingdom, the Irish note in the chorus being distinct. This was all very well, but only so much printer's ink and public opinion. Among the contributions, however, which I received, was a letter from the manager of the Great Eastern Railway, who asked me to call upon him. This I did, and was naturally pleased to find that he had read my paper with no mere passing but *potential* interest. To cut this part of the matter short, he went to business, and proposed a conference of divers influential residents in East Anglia, who were known to have concerned themselves in agriculture. They met at the invitation of the chairman and directors in the board-room of the Great Eastern, Liverpool Street, and discussed a rough draft of rules and suggestions likely to bring the thing within range of performance. This was followed by meetings in one of the rooms of the House of Commons, under the presidency of Mr. C. W. Gray, M.P. Then we stuck fast for a while ; but the delay enabled us to realize better the initial steps needed to put the matter into some working shape.

One of the chief difficulties felt by those who had tried to dispose of small parcels of farm and garden produce in town had been the obscurity which hung about the cost of their transmission. It was possible, of course, for an intending seller to work out, from the rates charged for large quantities, the price of sending a single hundredweight of produce to the terminus in London ; but this involved a deterrent arithmetical calculation, and your countryman likes to have things put plainly before him. Another, and still more serious, hindrance was the fate which had attended many humble attempts of the country grower to dispose of his little consignments when they had reached town. They were drowned in the great sea of London commerce. Big dealers did not trouble themselves about such petty transactions.

But I am at a loss to see why a railway should not have twigs as well as a trunk and branches. So I said, at a subsequent interview with the chairman and some directors of the line. Well, these two difficulties were presently met by the company. They agreed to print and circulate leaflets stating precisely the cost of sending parcels of farm produce from any station in Suffolk, and (here comes the point) *delivering* them without further charge at any address within a radius of about four miles from the Bishopsgate Station in town. The same arrangement was presently made for the counties of Essex, Cambridgeshire, Huntingdon, and Norfolk. Thus the firstfruit of our attempt was to open a plainly available and direct channel between country

producers in East Anglia and such town consumers in London as they could find within the area of distribution indicated by the Great Eastern. The next thing was to find the names of institutions and individuals willing to deal with them at first hand, and, after introduction, leave the two parties to make their own bargains. Before making our London calls, however, we circulated leaflets in East Anglia explaining the objects of the society, and offering its advantages to growers who were willing to subscribe half-a-crown annually. Those who responded were supplied with forms which they were to fill up, saying what they had to sell, and what they wanted for it. Answers came, and were laid before likely buyers in town. The first result was disappointing. The growers were, in many cases, too greedy; retailers were shy; and working people who, it was hoped, might combine in families, and have up a sack of garden produce at a very cheap rate, did not even nibble at the bait. We dropped it before the porters at the Liverpool Street and other London stations, but the thing was too new. Some said that the chief amusement of their wives was "marketing."

Several "Institutions" took to the notion. But if two or three contiguous families of artisans realize that they can get a parcel of garden produce at far less than they are now paying for it, by putting themselves into direct communication with a country producer, some clusters of working people will, surely, use the facilities for carriage and distribution now freshly provided by the Great Eastern. And when the town public gets hold of the fact that one great railway company, at least, offers to be the sole "middleman" within a large London area, bringing up and distributing consignments of vegetables, etc., without touching the voracious London markets, and without the payment of any "octroi," impost, or commission, our humble efforts may prove to be a small door into a large room. There must be middlemen, of course. There must be wheels to make a watch go, but there is no reason why there should be many when a few are sufficient. At present the commissariat of the country is a wonderful machine, which, without official birth or nursing, contrives to deposit a pat of butter on any given plate, at the shortest notice, as well as a loaf upon the table. And yet it is a thing of "growth;" and thus it wants a pruning knife as much as any other tree. All kinds of interests have invaded the field in which it works. Forms of stubborn commercial conservatism appear in the perplexing or even contradictory nomenclature of markets which were once widely separated, but are now virtually adjacent. Capricious railway rates stunt the home growth of food or fruit, the foreign supply of which has been thriftily

organized ; and agents (great and small) stand ready to take, each for himself, a spoonful out of every plate that is filled. Meanwhile, a distributing engine has been slowly approaching completion, capable of doing by itself what the crowd of smaller ones have hitherto done. The railway trunk has shown that it can bear twigs as well as branches, able to divide and deliver the smallest fractions of the bulky loads which it was once believed to be almost exclusively concerned in. It is found to have fingers as well as hands and arms. And it has spread them over the whole kingdom. But hitherto its ability has been virtually unrealized. A multitude of agencies have been suffered to do almost all the minor work of distribution, whereas, if buyers could only bring themselves into direct touch with sellers, there is no insuperable reason why they should not deal with one another, however widely divided. For along with the great railway agency, capable of minute as well as large transactions, there has grown up a postal medium for cheap and exact inter-communication, covering the whole ground over which the distributing fingers of the railway are spread. The one thing wanted is to bring these two systems of intelligence and distribution into co-operative accord, so that a buyer or seller may need only to make his wants known in order to have them satisfied. I refer especially to the cases of dwellers in our large towns. Why should they not eventually send their orders into the country itself for much country produce ? The street and the field are now mutually dependent for many articles of food. They only want to be introduced in order to deal directly with one another.

Indeed, the essential idea of our effort is to put these persons into direct communication, and then leave them to make their own terms. This is intended to affect large as well as small transactions. Not long ago, indeed, an extensive establishment in London, becoming acquainted with our purpose, and wanting many eggs, was introduced by us to a man who undertook to supply it "directly" with two thousand every week. He lived in East Anglia, and arranged to send them straight to this customer. This is only an example of a process which might be widely adopted, and very possibly will be.

The two leading features in the movement were, however, (1) the circulation in the country of definite rates for the carriage of small consignments of produce to towns, and (2) (for the same sum) their distribution to purchasers. Of course we do not know how far this arrangement succeeds, for divers producers find their own buyers in towns, and use the easy channels which have been freshly opened, without communicating with us. I have reason, indeed, to believe that these are being growingly appreciated. The five counties

I have referred to have been supplied with thousands of leaflets describing the new facilities provided by the Great Eastern Railway, and all we know of the transactions of some farmers or gardeners appears in an occasional complaint that a penny or so too much has been (unwittingly) charged for the delivery of some small consignment.

I should say that the present machinery of our society consists of a committee, chiefly composed of landowners and farmers interested in the attempt, with a chairman and honorary secretary. One of the arches at the Bishopsgate Street Station has been granted to us by the Great Eastern, at a nominal rent, as an office ; and some friends have helped towards meeting the inevitable expenses of furnishing it, and the (also inevitable) cost of printing and postage needed in making our effort anywise known. Our society is not a company with shares, and was started with no hope of personal profit. It is grotesquely audacious to say it, still, if our aim is anything, it is a revolution in the commissariat of the country—so far, at least, as the interests of (especially small) producers and consumers of farm and garden stuff are concerned. We do not exclude eggs, poultry, butter, etc., for there is a potentially productive fringe to every farm, however small, for the disposal of which no adequate provision at present exists. We want railway companies to be the chief middlemen, for small and great transactions.

If any of my readers care to know more about the matter, I would ask them to write to our corresponding agent, Mr. Cuthbert, Farmers' and Gardeners' Supply Society, 2, Bethnal Green Road, London, E. And (if they will enclose stamps, all the better) he will post to them copies of all the printed papers about the " Society " he possesses, and be glad to give any other information he can. It will be understood that, hitherto, the area of our operations lies in the region affected by the Great Eastern Railway. I have received, however, many letters expressing a wish that other companies would consider the matter seriously.

Harry Jones.

P.S.—Since the above was written, there has been an unmistakable growth of the society as an introducer of producers and consumers on a somewhat larger scale than its originators expected, or ventured to hope. Several charitable institutions have put themselves into communication with us, with satisfactory results to the charity and the farmer. For these introductions the society is compelled to charge a small commission, the half-crown subscription not being enough to cover the cost of the transaction. But it is not proposed to go on with this charge, like an agent or salesman who goes on making it to the end

of the chapter. Moreover, in our case, the farmer does not commit his goods to the market-man to make what he can by them, and send the result, after deducting commission. Our farmer does not deal at all with the town consumer till he knows what he is going to receive. And, after a while, the two (being well introduced, and a small commission paid to the society on the earlier dealings) are left to sell and buy without any drawback on the transaction.

There is, indeed, no real reason why many large producers and consumers should not be introduced, and deal with one another directly. And the more the principle which the society inculcates comes to be known, the more likely is it that clusters of private families (artisan or otherwise) will use direct communication in buying necessaries of life, and that large single households will go to the fresh country for much that they want, instead of getting it through the tortuous processes now employed. In short, the railways will find it pay them to act as "distributing" middlemen, as well as carriers, on a much larger scale than they have hitherto adopted, or imagined possible.

Recent German Labour Legislation.[1]—After the Berlin Labour Conference, 1890, the whole German labour Code underwent revision. The rights of labour were put on a new footing. Increased protection has been given to women and children in factories. New means have been provided for settlement of trade disputes. (1) Labour is now bound to insure against sickness, masters contributing, as a rule, one-third, men two-thirds. Existing funds are brought within legal cognizance. (2) In insurance against accident, the necessary funds are entirely furnished by employers. The workman's income must be under £100 per annum. In 1889, the number of workmen benefited amounted to 10,500,000. (3) Insurance against old age and infirmity is the most widely dealt with. All over sixteen years, who work for wages, must insure. The funds are furnished in equal parts by employers and employed.

The question of a "minimum" wage is still disputed, at times successfully, by the men. The Stuttgart book-binders have secured an average lowest wage of 16*s*. per week. The calculation of wages per hour is found to diminish disputes; the old-fashioned employer opposes it. Piecework is condemned by the men on the ground that it is unduly exhausting. Pay-day is beginning to be moved with success to Friday; even the choice of Saturday morning is found to do good. An equivalent of the Truck Act exists. No wages can be legally paid in public houses, or shops; or to creditors, save by leave of a magistrate.

[1] *Foreign Office Report on the State of the Labour Question in Germany*, No. 212.

The limits of hours run from seven to sixteen per day, and tend to about eleven. The inspectors report that in many cases reduction has been tried with loss to none. The movement in favour of a maximum working-day is strong. The Socialists support the eight hours; the Trades Unions are in favour of the question being settled by local authority in each case. The Baden Inspector is strongly for reduction, reporting that manufacturers, when consulted, allowed that an international working-day would restrict the evils of competition and restrain over-production.

The Corporations of Craftsmen (Innungen), including masters and men, established by Code in 1881, are a failure. Compulsory unions of masters are made to carry out the Accident Insurance Law. In 1889, there were 112 such. The Trades Unions have not the influence of English unions in the matter of strikes. Their best work has been in establishing at various places successful boards of conciliation.

Socialism has its nucleus in central clubs, which are concentrated and almost secret. In some places standing committees of workmen have done much good.

In 1890, a law was carried to form Industrial Courts. Such courts are to be established, if desired, by parish authorities. If the latter are negligent, the central government may do it. They consist of a president (chosen by parish authorities, approved by government) and at least two assessors, one elected by masters, one by men, in secret ballot. They may examine on oath: an appeal lies to ordinary courts on any case that involves over £5. No lawyers may appear. These semi-compulsory courts may be used voluntarily as Boards of Conciliation. It is on record that, where there has been confidence in the members, unusual success has followed.

Profit-sharing has shown good results. In 1888, there were eighteen successful cases. The results have been that labour has been made more permanent, and little cause for complaint has arisen.

T. C. Fry.

French Labour Legislation, 1891.[1] (1) *The Working-day.*— In 1848, a working-day of twelve hours was established for manufactures and workshops. The exceptions introduced in 1851 rendered it void. In 1879, the Chamber of Deputies carried an Eleven-Hours Bill, which the Senate threw out. An Act was then passed to appoint inspectors, but the work was too great for the number appointed. In 1885, inquiries were made, both of masters and men, with highly conflicting results. In 1889, the Eight-Hours Bill was proposed. To

[1] *Foreign Office Report on the State of the Labour Question in France*, No. 213.

support it, were organized the 1890 labour demonstrations ; but it was clear that they had not the country at their back. The miners, however, met in Paris, and passed eight-hours resolutions for miners. A parliamentary committee of inquiry then sat, and reported in January, 1891. It is remarkable that less than half the unions of masters and men answered ; the answers are conflicting.

The Committee have since proposed a ten-hours limit, except for miners. They have decided against a minimum wage. It is doubtful if legislation will follow. A short Act has been passed to make the 1848 law compulsory on all "traction" workers ; but it is expected that the Senate will throw it out.

(2) *Unions.*—In 1810, the French Penal Code forbad unions of more than twenty persons. In 1791, the guilds had been abolished by the Revolution. Both masters and men were thus isolated. In 1867, the Empire allowed to working men the right to combine, and even strike, subject to strict control. This led to an effort to legalize unions and to reorganize Courts of Conciliation. No law has, however, yet been passed to promote arbitration ; and men still look to the minister or the préfet. But in 1884, after two years' fierce debate, unions (syndicates) have been legalized. But the terms of this Act the working men have outgrown. Nothing in it gave powers to one side rather than the other. In 1888, special privileges of freedom from a legal deposit, preference over other contractors in State contracts, privilege of fortnightly payments on account, were conferred on the men's unions by circular of the Minister of the Interior. In 1890, further legislation against masters' liberty as regards resistance to the men's unions was carried by the Deputies, but thrown out by the Senate. There is at this time tension between the masters and the unions.

(3) *Women's Labour.*—The 1848 law made no distinctions. By the 1874 law, women were under some restriction up to twenty-one, and might not work at all underground or in quarries. But women have been proved to be "sweated" in labour outside manufactories and workshops. They also work at night, increasingly in the north and east. Public opinion is only slowly maturing on this question (cf. *Economic Review*, April and October, 1891).

(4) *Child Labour.*—Lowest limit of age, ten years, by 1874 law, in manufactories, etc. Elsewhere, no cognizance taken. Between ten and sixteen labour allowed, but dangerous labour forbidden. Many limitations have been scheduled. Weights are gradated. Children of ten to twelve are as our English half-timers ; but these children are being gradually withdrawn from labour.

A certificate of elementary school teaching gives, after twelve,

further opportunities for work. On this, as on women's labour, passionate discussion still goes on.

(5) *Co-operation, etc.*—Of 222 private Co-operative Associations in Europe and America in 1890, France claimed 81. But the French law on joint-stock companies greatly impedes their development. But there have been many failures ; the true spirit of co-operation seems to die out ; and leading Frenchmen look with greater favour on the future of profit-sharing. The question of insurance against accidents and old age is also closely engaging public attention ; but no liability by statute has yet been established.

T. C. Fry.

Proposed issue of One-Pound Bank-notes.—The Chancellor of the Exchequer's anxiously expected scheme for the issue of £1 bank-notes was set forth in an address to the London Chamber of Commerce on December 2nd, followed by a letter dated December 3rd, and published in the daily papers. It is well known that the principal motive that has led Mr. Goschen to propose this step has been his sense of the need of strengthening the Bank Reserve ; and he has further taken the opportunity of recommending an important modification of the Bank Charter Act. There are thus three separate points in his plan.

(1) Under the Bank Charter Act, the Bank of England is at present authorized to issue notes amounting to £16,450,000 against securities. All beyond that must be against gold. The average issue against gold is £21,550,000, making a total average issue of £38,000,000. After this point has been reached, Mr. Goschen proposes to allow the bank to issue notes at the rate of £4 against gold to £1 against securities. This permission would, however, remain inoperative, unless some extension was at the same time given to the note-circulation.

Accordingly (2) the second point in the Chancellor's plan follows from the first, viz. that the bank shall be allowed to issue £1 notes, whether before or after the limit of £38,000,000 has been reached, on the same conditions as notes of higher value. In this way the note-circulation would certainly be largely increased, how largely Mr. Goschen declines to estimate. The amount of increase which he chose for purposes of illustration was £25,000,000.

(3) Further, he is prepared to introduce modifications in the Bank Charter Act, giving the bank authority, when the stock of gold has been increased to £30,000,000 (*i.e.* £8,450,000 above the present average), to issue additional notes against securities, on payment of a heavy rate of interest to Government. The rate would be fixed not so

high as to make the provision inoperative, nor so low as to encourage speculators to discount its operation.

The principal objections which the scheme has to face are, firstly, that it will drive gold out of England; secondly, that £1 notes are not wanted. The first objection the Chancellor admits, but he urges that a much larger reserve with slightly less gold in people's pockets is better than a smaller reserve with a larger quantity of gold scattered over the kingdom and not available in time in cases of emergency. He recognizes, however, the force of the objection so far as to offer to limit the issue of notes at the rate of £4 against gold to £1 against securities to £50,000,000. The maximum amount of gold which in this case could be withdrawn from England would be £10,000,000. To the second objection, that £1 notes are not desired by the trading community, he answers, first, that if not wanted they will not be issued, and the scheme will be simply inoperative, and, secondly, that the result of the inquiries has been that they are desired in some parts of the kingdom, in Manchester more than in London, in the north more than in the south.

On the other hand, the advantages of the scheme are, first and foremost, that it will strengthen the cash reserve of the bank. If notes to the value of £25,000,000 are issued under the new provisions, the effect will be to raise the issue against gold from £21,550,000 to £41,550,000, and the issue against securities from £16,450,000 to £21,450,000. The proportion of the issue against gold to the total issue would be approximately 2 : 3, under the new system, as against 4 : 7 under the old system. Secondly, the Chancellor's third proposal would give a self-acting safety-valve in time of panic, and would remove the often urged, though not altogether true, objection to the Bank Charter Act, that it is useless in ordinary times, and in times of panic it has to be suspended. Mr. Goschen's proposals have so far been received with considerable approval by the great merchants and bankers, and their personal confidence in the proposer is an important factor in estimating the probability of the scheme passing into law.

Profit-sharing in Agriculture.[1]—Profit-sharing is now becoming a normal feature of modern industrial life in our large towns, but as yet it has not been attempted to apply it to any great extent to agriculture. The address of Mr. Albert Grey, who may justly be esteemed a pioneer in this matter, summing up the results of five years' experience, is therefore full of interest. In 1886 Mr. Grey

[1] Address by Mr. Albert Grey to the labourers on East Learmouth Farm October 30, 1891.

rented a large farm, which the previous tenant maintained could not pay, and organized the work under a system of profit-sharing. The wages paid were to be on the old scale, and a sum equivalent to the rent formerly paid was to be deducted from the profits as interest on capital. The surplus was to be divided between the owner and the labourers in equal portions, after a deduction of twenty-five per cent. for a reserve fund. Mr. Grey explains that he considers that the profits should be divided in proportions corresponding to the amounts paid in rent and interest and in wages. But in this case, as the amount paid to the labourers is only one half of that which goes to the account of rent and interest, he adopted the simpler method of dividing the net profits into equal proportions, in order to induce the labourers to co-operate in making the experiment a success. It may be fairly claimed that the experiment has been successful ; not only have the rent, interest, and wages been duly paid, but in each year of the undertaking, except that which includes the bad harvest of 1888, a bonus of at least five per cent. has been given, and the reserve fund now amounts to over £180. This reserve it is intended in time to devote to such purposes as the establishment of pensions, and other measures to promote the welfare of the estate, as well as providing against any exceptional misfortune. It is refreshing to notice that Mr. Grey lays great stress on the moral, as apart from the merely pecuniary aspect of this profit-sharing, and claims that the labourers display far more interest, intelligence, and industry than under the ordinary system. He is not in favour of management of the business by the employés, as he considers that a centralized and absolute control is necessary to insure its success ; his opinion, in this case at any rate, seems to correspond with the facts, as the success of the undertaking is ascribed as due in great measure to the ability and energy of his manager. Moreover, the employés are not responsible for losses that may occur. It must, of course, be remembered that Learmouth is in a district where the wages of agricultural labourers, and indeed the conditions of agriculture generally, are far in advance of those in other parts of England, but it does not appear that there is anything to prevent similar undertakings even in less-favoured districts. Mr. Grey proposes to extend the area of his operations, and for that purpose he has resolved to work other neighbouring farms on the same system. The experiment, which has been so far fortunate, will be watched with great interest by those who are seeking to ameliorate the condition of the agricultural portion of the country, and, if successful, may do much towards showing the way to a solution of the problem.

R. W. Porter.

Statistics of Poverty.—Some reference was made in our last issue to the second volume of Mr. Charles Booth's *Labour and Life of the People*, recently published.[1] As has been agreed on all sides, it is by far the most important authority to be read and studied by all who are in any way concerned about the question which stirred the minds of Maurice and his friends forty years ago—"the condition of the English working man."

The first volume of Mr. Booth's work, it will be remembered, was distinctly reassuring. Those of us who had formed our notions of the extent of East London poverty from the moving appeal set forth in *The Bitter Cry of Outcast London*, or from Mr. Besant's popular novel, *All Sorts and Conditions of Men*, were doubtless relieved to find that the misery of average East London life had been somewhat overdrawn and exaggerated. And now this second volume, though it gives a higher ratio of distress for the whole of London, is nevertheless quite explicit about the fact that there is no necessity to acquiesce in existing conditions as inevitable and irremediable.

The book is far from being dull, and, despite the "wilderness of figures" will be read with keen and growing interest. Mr. Booth modestly acknowledges that he has not yet found the solution of the vast and complicated problem under investigation. But certainly it is not too much to say that, thanks to what Mr. Booth has already accomplished, the "wilderness" is nothing like so dark and forbidding as it used to appear; and people who are bent upon opening up highways through the wilderness cannot but be encouraged to redouble their exertions by the success of Mr. Booth's pioneer work.

Moreover, we are not allowed to forget that Mr. Booth is not a mere statistician, in the narrower and more technical sense of the word. Though he has not discovered the final remedy, he has been looking for it, he has "walked in faith." The general conclusion reached in the first volume, that the elimination of class B is the *crux* of the situation, has been verified by his further labours. And after he has fulfilled the self-imposed task of ascertaining "the extent to which multiform remedies, wise or unwise, are now being applied," he believes that he may be in a better position to decide upon what further or other action should be pursued.

In dealing with the whole area of London the street has been adopted as the unit, instead of the family as was the case when East London only was under consideration; but the old grouping of the population into eight classes has been retained.

[1] *Labour and Life of the People.* Edited by Charles Booth. Vol. ii. "London" (continued). [607 pp. 8vo, with appendix containing maps, etc. 21*s*. Williams and Norgate. London, 1891.]

These eight classes are thus described :—A. The lowest class—occasional labourers, loafers, and semi-criminals. B. The very poor—casual labour, hand-to-mouth existence, chronic want. C and D. The poor—including alike those whose earnings are small because of irregularity of employment, and those whose work, though regular, is ill-paid. E and F. The regularly employed and fairly paid working class of all grades. G and H. Lower and upper middle class, and all above this level.

The proportions of the different classes are given in the following table :—

A (lowest)	37,610	or	·9 per cent.	In poverty 30·7 per cent.
B (very poor)	316,834	„	7·5 „	
C and D (poor)	938,293	„	22·3 „	
E and F (working class, comfortable)	2,166,503	„	51·5 „	In comfort 69·3 per cent.
G and H (middle class and above)	749,930	„	17·8 „	
	4,209,170		100 per cent.	
Inmates of institutions	99,830			
	4,309,000			

The maps contained in the appendix are of the utmost value, as giving a comprehensive view of the various grades of life in London, and the tables of figures upon which the colouring of the maps is based are marvels of patient labour, and models of statistical work.

State Pensions for the Aged.—State provision for old age seems likely to become a question of practical politics. Statesmen of all shades of opinion are interesting themselves in the matter, and there can be little doubt that, whichever party is successful at the general election, the sanction of Parliament will before long be asked for some scheme of national insurance.

The present prominence of the subject may be traced to two causes : in the first place, to the efforts of Canon Blackley, Rev. W. Moore Ede, and the National Providence League ; and, secondly, to the influence of recent German and French legislation. The National Providence League owes its existence to Canon Blackley, and has done much useful work of a preparatory kind, more especially in calling attention to the existing agencies for industrial insurance. In the year 1880 the League advocated a universal compulsory system of insurance against both sickness and old age. Its proposals were considered, in 1885, by a select committee of the House of Commons, which pronounced against that part of the scheme which undertook to supply sick-pay

during illness, it being the opinion of the committee that such sick-pay could be better supplied by the Friendly Societies. In deference to this decision, the idea of national insurance against sickness was abandoned both by Canon Blackley and the National Providence League. The latter has now widened the basis of its propaganda, and undertakes to support any scheme which recognizes certain general principles. The League also suggests a scheme of its own.

Before, however, dealing with this and other suggested schemes, and before touching upon that most remarkable relic of Bismarck's State Socialism, the German Insurance Laws, it will be well to state briefly the facts and figures which are thought by many to prove the necessity of some form of State pension for the aged. It is noteworthy that two investigators—Canon Blackley and Mr. Charles Booth—working by different methods, and at different times, and entirely independently of one another, have come to very much the same conclusion. Some years ago, Canon Blackley examined the registers of twenty-six rural parishes, and ascertained that the proportion of those that came upon the rates at the age of sixty-five, compared with the total population of that age, was 42·7 per cent. Mr. Charles Booth recently read a paper before the Royal Statistical Society, in which he stated that he had examined the rolls of two representative London Unions (Stepney and St. Pancras), in one of which outdoor relief has been practically abolished, in the other of which it is given freely ; and he has made the calculation that, of all who die over sixty-five, not less than 40 per cent., and probably more, have had public relief in some form or other during the last years of their life, *eight-ninths having become chargeable after they were sixty.* The actual totals given by him are—paupers over sixty-five, 507,660 ; population over sixty-five, 1,322,696 : ratio of paupers to population, 38·4 per cent. The basis of this calculation is the Parliamentary return, moved for by Mr. Burt, of the number of aged persons in receipt of relief on August 1, 1890. The calculation itself is extremely complicated, and it would be impossible to exhibit it here. It will be sufficient to point out that it is based upon assumptions which are confessedly doubtful (owing to the incomplete character of the poor-law returns), and that it is published by Mr. Booth with great diffidence, and only on the plea that it is the best obtainable at present. Indeed, when it is remembered that among "paupers over sixty-five" is ranked every person who received parochial relief during the year, from those who received no more than a bottle of medicine, and were otherwise independent, to those who were supported entirely by the rates,—and when allowance has been made for inaccuracy in Mr. Burt's return

due to the admitted tendency of workhouse inmates to exaggerate their age,—it will be seen that the statistics compiled by Mr. Booth afford but an insecure basis for argument, and require very careful handling if they are not to be absolutely misleading. Perhaps the chief result of his investigation will be to call attention to the insufficiency of our present data, and to encourage the Local Government Board to demand a better system of pauper registration, and more accurate returns from the local unions.

But however inexact these figures must necessarily be, they are sufficiently true to call attention to what is undoubtedly a crying evil—the fact that the aid of the State is sought by so large a proportion of our old people. And it is to remedy this evil that the various pension schemes are proposed. In considering them, we may leave out of account those voluntary ones which are neither State-guaranteed nor State-aided, such as the superannuation payments of the Oddfellows and Foresters. One of the chief causes of their unpopularity is that, in the present state of the Friendly Societies, no one who invests in a deferred annuity of this kind can be sure that the society to which he pays will be sufficiently solvent forty years hence to meet his claim. For this and other reasons these superannuation schemes have hitherto failed to attract insurers.

The *State-guaranteed schemes* may be divided according as (1) none, (2) or a proportion only, (3) or the whole of the funds are to be derived from taxation.

Under the first head may be placed the scheme which, with various modifications, has been advocated by Canon Blackley for so many years. He has proposed that every young person between the ages of eighteen and twenty-one should be compelled to pay to the State £10, and that in return for this the State, acting as banker of his contributions, should guarantee a pension of five shillings a week in old age. This proposal is admirable in many respects, and escapes many of the dangers to which other schemes are exposed. Its weak point is the obvious difficulty of enforcing contributions from those who did not wish to pay them. It has recently been abandoned by Canon Blackley (if he is correctly reported in the June number of *Help*) in favour of a scheme similar to that advocated by the Rev. W. Moore Ede, which comes under the second head of our classification.

This proposal is that the insurance should be voluntary, and that, instead of the wage-earner paying the whole of the £10 (or whatever sum be required to insure £13 per annum at the age of sixty-five) some proportion should be derived from general taxation. The best example of a compulsory scheme of this kind is seen in the German Insurance

Law, which came into operation on the 1st of January, 1890. Insurance is compulsory on persons of both sexes over sixteen years of age, provided they belong to the industrial class, or are servants, shop-assistants, clerks, or small masters. The old age pensions (pensions for infirmity [1] are also to be given) begin at the age of seventy, and vary from 2*s.* per week to 3*s.* 8*d.*, according to the number of contributions paid. Roughly speaking, the wage-earner is required to pay one-third of the contribution, the employer one-third, and the State one-third. Forty-seven weekly payments are treated as one year's contribution. Employers are required to deduct the wage-earner's payments from his weekly wages, and affix them, in the form of stamps, to his insurance card. The actual payments deducted vary from three farthings to seven farthings. It is too early as yet to predict the failure or success of this law. It is expected to affect thirteen millions of the population. At the first meeting of the Imperial Insurance Office on June 11, 1891, it was stated that 75,000 pensions had been granted since the beginning of the year ; that 33,000 applications were then under consideration ; and that 12,000 had been refused. It is expected that about 3000 old-age pensions and 10,000 infirmity pensions will be applied for every month. It is easy to see that an enormous bureaucratic apparatus will be required to deal with these applications. Professor Geffcken (*Nineteenth Century*, September, 1891) states that the actual cost of administration is likely to be greatly in excess of the estimated cost.

The most noteworthy scheme of the third class—that in which the whole of the pension fund is derived from taxation—is the one to which Mr. Charles Booth has lent his name. The working is very simple. He would give a pension of five shillings a week to every citizen who reached the age of sixty-five, and would raise the amount necessary for this by direct and indirect taxation. The cost for England and Wales alone would be about £17,000,000 per annum, and the total estimated cost for the United Kingdom, including working expenses, would be about £26,000,000. To raise even the lower figure of this enormous annual charge, every person would have to pay 1·7 per cent. of his income. On the other hand, by the abolition of outdoor relief, Mr. Booth contemplates the saving of three millions sterling out of the eight and a half millions expended annually on the poor-law. From the point of view of administration there is much to recommend the scheme. Compared with the others suggested, its administration would be easy. It would be truly national, and would, therefore, not

[1] A person is entitled to an infirmity pension when he is unable to earn more than one-third of his usual wage.

be open to the objection urged against all non-compulsory schemes, viz. that they would have little or no effect upon the very class which it is most desired to reach—the class from which paupers are manufactured, which is variously known as "the residuum," "class B," and "the submerged tenth." Moreover, it would encourage Boards of Guardians to refuse to give relief outside the workhouse, a line of action in which they would be supported by public sentiment; and, finally, there would not necessarily be connected with the payment of the pensions any of the debasing associations which make outdoor relief, as at present administered, so fruitful a cause of pauperism. On the other hand, the objections on the side of finance are fatal. Mr. Booth admits that a scheme which involves such heavy taxation would never be adopted unless it became extremely popular with all classes. Now, as far as the middle and upper classes are concerned, it is evident that a proposal which would so greatly increase their burdens, without offering them adequate counterbalancing advantages, would meet with their strenuous opposition; and it is particularly worthy of note that the working classes themselves, for whose benefit alone the pension schemes have been elaborated, have given them no very cordial welcome. The Friendly Societies, as a whole, and many of the Trades Unions, have made no secret of their belief that the tendency of State pensions would be to discourage thrift. They will now have to reconsider their opinion in view of the present agitation. The conclusion arrived at, whatever it may be, will carry weight with all parties.

Meanwhile, the chief opposition comes from another quarter. Experts connected with the Local Government Board, practical poor-law reformers of what it is now the fashion to call "the old school," such as Mr. Albert Pell and Mr. Bland Garland, and the London Charity Organization Society, agree in characterizing the majority of these proposals as an extension of the poor-law on its most dangerous side, viz. the granting of out-relief on a large scale, and as a departure from the principles of 1834, which have been proved by experience to be sound. They point to the remarkable results which have been effected in the unions which have abolished or greatly restricted outdoor relief, and they suggest as an alternative to State pensions a wiser and more careful administration of the law. Just as consistent firmness in dealing with ablebodied paupers has rid the country of what was once a pest, so, they argue, a gradual restriction of outdoor relief in every union would in time greatly decrease the amount of old-age pauperism. It is also argued that, after all, insurance is only one of many methods by which a man may provide for his old age, and that it is by no means certain that the working classes do not prefer investments in house

property, the Funds, etc., to the purchase of deferred annuities from the State.

The present state of the agitation is as follows. At the beginning of last session a voluntary Parliamentary Committee on Old Age Pensions was formed under the auspices of the National Providence League, which met from time to time under the presidency of Mr. Chamberlain, and was attended by about sixty or seventy members. Towards the close of the session a sub-committee was appointed, of which Mr. Chamberlain was also chairman, and which included Mr. Rankin (chairman of the National Providence League), Mr. Mallock, and Dr. Hunter. A scheme has been drafted by these gentlemen, which is now in the hands of an actuary, and which will in the first instance be submitted to the leaders of the Friendly Societies. While approving of a compulsory scheme in principle, the Committee do not consider that the country is at present prepared to support any but a voluntary scheme. In most other respects their scheme is believed to be modelled on that already in force in Germany.

L. B. Sladen

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

During the last quarter, acts of Parliament have, of course, not been produced. It may be well, however, to notice an act of 1870, part of which is only now in 1892 coming into operation. Section 43 of the *Tramways Act*, 1870 (33 & 34 Vict., chap. 78), provides that, when twenty-one years have elapsed from the time when the construction of any particular tramway was authorized, the local authority of the district in which it lies may take possession of the tramway "upon terms of paying the then value (exclusive of any allowance for past or future profits of the undertaking, or any compensation for compulsory sale, or other consideration whatsoever) of the tramway and all lands, buildings, works, materials and plant" used in connection with it. The local authority's option of purchase remains open for the first six months after the expiration of the twenty-one years, and recurs afterwards at the end of every seven years. The tramways are thus constructed on a kind of "building lease," the chief difference between the tramway lease and an ordinary building lease being that the tramway company pays no ground rent, and when its lease comes to an end is entitled to receive the then value of its material property instead of having to give it up entirely.

In 1888, some discussion took place as to what the act means by "the then value exclusive of any allowance for past or future profits." Alarmists asserted that it meant not what it says, the value of the tramway, but what it does not say, the value of the materials of which the tramway is made, and a panic occurred in the tramway share market. To allay it, eminent counsels' opinion was obtained, to the effect that the local authority would have to pay the value of the tramway and its adjuncts "as part of a going concern" and not "considered independently of the undertaking of which they form part." In other words, the amount to be paid would be the value of the permanent way and plant in their actual condition, to persons who intended to use them for tramway purposes. The "then value," as defined, is the cost of reproduction less the amount by which the articles as they stand are less valuable than reproduced ones would be.

In most cases it is probable that this value, when it comes to be settled by the arbitrator for whose appointment the act provides, will not differ much from the company's total capital expenditure. The cost of reproduction will be greater than the original cost of production, but the addition on this account will be balanced by a deduction on account of the line and plant no longer being as good as new. Consequently, when a tramway has been earning less than four per cent. on the capital invested, it is unlikely that the local authority could gain anything by exercising the option of purchase. But when a tramway has been paying more than five per cent. it is nearly certain that there would be a gain. Three and a quarter per cent. would pay the interest on the purchase money, and one and three-quarters per cent. on the old capital should be ample allowance for profit to the new lessees of the line, who would require a comparatively trifling capital.

The lease of a portion of the London Street Tramway, which was authorized by a private act (clxxi. of 1870) which contains almost exactly the same provisions as the public act, has already fallen in. The London Street company's dividends for the last six years have been $8\frac{3}{4}$, $8\frac{3}{4}$, 8, 5, 6, and $6\frac{1}{2}$ per cent. With such figures before it, probably no town council in the kingdom would have hesitated to exercise its right of purchase. But while the City Councils of Glasgow or Birmingham may steal a horse, the London County Council may not look over the hedge. An outcry arose that the Council, in proceeding to exercise its legal powers on behalf of the ratepayers, was going to "confiscate the property" of the companies. The councillors opposed to the purchase, finding themselves in a very small minority, took advantage of a rather irrational provision (which appears in both the private and the public act) requiring the resolution for purchase to be carried in a meeting at which two-thirds of the members "are present and vote." Withdrawing before the vote was taken, they left the council without the necessary quorum. Twice this manœuvre was successful, but on the third occasion the supporters of the purchase just succeeded in mustering the necessary two-thirds of the Council out of their own number. Since then the corporation of Glasgow has passed a resolution in favour of acquiring the Glasgow tramways at the expiration of their lease, by a majority of more than eight to one.

The public act, but not the London Street Tramways private act, provides that the local authority may not itself work the tramway, but must lease it. The difference, however, between direct working and leasing under conditions will probably be found to be not very great.

The bulky character of the *Report from the Select Committee on Railway Servants' Hours of Labour; together with the proceedings of*

the Committee, minutes of evidence, appendix, and index (House of Commons Paper 342, fol., 679 pp., 5*s.* 7½*d.*) does not encourage the idea that the question of excessive hours on railways is contained in a nutshell. The report proper is only the stereotyped recommendation that the committee be reappointed in the next session, the bulk of the volume consisting of the minutes of evidence.

Mr. Howard Vincent, M.P., and not the Foreign Office, is responsible for the strange language of the title *Reports from Her Majesty's Representatives in Europe respecting assistance afforded or facilities given by foreign Governments to the provision of the industrial population for old age* (Command Paper 6429, 59 pp., 8vo, 3*d.*). The *Report* from Germany, to which a reader naturally turns first, contains in five pages perhaps the most concise and intelligible account of the German system of sickness and old-age insurance that has yet appeared in England. It gives the following answer to a question which is often asked in this country, and which is looked on by many as a crucial one: "Temporary employment does not involve compulsory insurance." It answers another obvious question thus: "In order to establish a claim to a pension, contributions must be paid for a certain period. In the case of pensions for infirmity, this period consists of five, in the case of old-age pensions, of thirty years of contributions. Forty-seven weekly contributions are counted as one year without reference to the calendar year. But much remains excessively obscure to the English reader, however simple it may seem to the German workman. The *Report* from Paris shows that France, in spite of her hatred of the Prussians, is likely to follow the German example in the matter of a national scheme of insurance. It is proposed, however, that the French workman should, by a formal act, be allowed to put himself outside the provisions of the law. Germany has made providence compulsory, and therefore no longer meritorious. France is to be content with making providence a passive virtue and improvidence an active vice. The *Reports* from the other countries are of minor interest.

Mr. T. H. Elliott, in his *Report to the Board of Trade on the Relation of Wages in certain Industries to the Cost of Production* (Command Paper 6535, fol., 196 pp., 1*s.* 7*d.*), goes through various businesses or "industries" and endeavours to ascertain what proportion of the gross receipts of the business is paid away by the *entrepreneur* in wages. The task is none of Mr. Elliott's choosing, and he seems to have had no great belief in its utility. In this it is easy to sympathize with him. Some kinds of business employ much capital and little labour, and in these the proportion of gross receipts which is paid away in wages is

small. Others employ much labour and little capital, and in these the proportion paid in wages is large. Mr. Elliott prudently does not attempt to draw any general conclusions from the data furnished by a few trades which are, for no particular reason except that statistics are procurable about them, classed as "important industries."

The *Twentieth Annual Report of the Local Government Board*, 1890–91 (Command Paper 6460, 8vo, cxcvii., 708 pp., 4*s.* 4*d.*), contains the usual mass of information with respect to sanitary and poor-law administration. Cynics who disbelieve altogether in the efficacy of public and private philanthropy, should turn to Miss Mason's report on the boarded-out children. There certainly appears some reason to wonder whether the position of the Oliver Twists of the present day will not soon excite the jealousy of children not under the care of the parish.

The *Return showing the names of all aliens to whom certificates of naturalization have been issued, and whose oaths of allegiance have, between 29th July*, 1890, *and 1st August*, 1891, *been registered at the Home Office, giving the country and place of residence of the persons naturalized* (Command Paper 6542, fol., 10 pp., 1½*d.*) is one of those ill-digested papers which spoil the tempers and shorten the lives of statisticians. Instead of the names being arranged either according to previous nationality or present place of residence, they are carefully placed in alphabetical order, and no statistics of any kind are given.

On examining the list for ourselves, we find that the total number of aliens naturalized during the year was 334. Belgium, Spain, Brazil, Uruguay, and Persia contributed one each, Roumania two, Italy and Greece four each, Holland five, Sweden and the United States six each, France ten, Denmark twelve, Turkey in Europe and Asia thirteen; Austria twenty, Russia ninety-four, and Germany one hundred and forty-six. The whole 334 must be well-to-do in life, since naturalization costs over £5, and is a pure luxury. They must also have already resided in the United Kingdom for five years, a fact which makes the large number of Russians much more surprising than it would otherwise be.

Edwin Cannan.

REVIEWS.

THE POSITIVE THEORY OF CAPITAL. By Eugen V. Böhm-Bawerk, Professor of Political Economy in the University of Vienna. Translated, with a Preface and Analysis, by William Smart, M.A., Lecturer on Political Economy in Queen Margaret's College, Glasgow. [xl., 428 pp. 8vo. 12*s.* net. Macmillan. London, 1891.]

In his *Capital and Interest*, to which the present book is a sequel, Professor Böhm-Bawerk may, without injustice, be said to have given an impression of onesidedness. While offering an analysis of the phenomena connected with interest which was undoubtedly more adequate to the facts than any that had preceded, he appeared, if not to reject, at any rate to put unduly in the background some of the conceptions in which economists have rightly found valid, though partial, explanations of the origin and function of capital; and, if Böhm-Bawerk's doctrine failed to find a place of rank and dignity for such fundamental ideas as, for example, Saving and Technical Productivity, it was impossible to accept it as the whole truth. He himself, however, recognized the obligation under which he lay to make an essay towards such restatement of some of the main issues in the theory of capital as the admission of his theories demanded. In *The Positive Theory of Capital* he has intercalated his special theory of interest in the general doctrine of capital, and has put it in a perspective which, in our opinion, altogether justifies it. The two books are complementary to one another in the fullest sense. Taken together, they cannot but satisfy and reinforce orthodox economics, while still they are strongly original. Taken together, they are of quite classical importance in the literature of political economy.

What, positively, is the theory of capital? We must ask first what capital historically and actually means. Originally bearing the sense of the principal sum in a money-loan on which interest was paid, capital came naturally next to imply the stock of goods which really paid interest, and so the source of income, an individual's means to acquisition. For the individual, however, the most important, for society practically the only, means to acquisition are means to

production. Hence, within this conception of capital as an aggregate of means to acquisition, there arises, as early as Adam Smith, the notion of capital as a complex of means to production, which, as separated off from nature and labour, narrows down to the more definite notion of capital as a complex of produced means to production. Using the word capital in a sense understanded of the people and with a proper economy of terminology, *i.e.* not equating it with wealth or goods or subsistence-fund, social capital will be this, private capital this with obvious modifications. Social capital raises all the problems of capital, and is the subject-matter of Böhm-Bawerk's "positive theory." What is its origin, and what is its function?

Man has many wants, not only for the present, but also for the future. If the gifts of nature and the efforts of labour sufficed only to bare life, then future wants would have to be satisfied by future hand-to-mouth activities and the present would be our all; but, thanks to the superfluity of his present, man finds himself able to save some of the products of his present for his future. This saving gives him leisure to produce by more roundabout methods, which take more time, but which, though the law of diminishing returns soon begins to affect them, produce absolutely much more than shorter methods. By applying, as our author explains in a quite Baconian argument, that which is in our power in a graduated process to more and more massive or delicate powers of nature, we enslave nature by following its laws with skill and dividing it against itself. These processes, being more productive, entice us to employ our saved productive power in them, with the result that there is formed an aggregate, in general rapidly increasing, of technical instruments for production. This aggregate of intermediate products, itself a product of the two elementary factors of production (viz., uses of primary powers of nature and labour), is capital. Its function is to store productive power, and to make possible, now and in future, roundabout processes and methods of production.

From this conception of social capital it is comparatively easy to deduce the importance of such ideas as the average production-period of a society, and, when the theory of interest is worked out in the light of the true doctrine of value, to estimate the significance of the social subsistence-fund as one of the determinants of the rate of interest.

The interest-problem is to Böhm-Bawerk the central one even here, and the interest-problem is a problem of value. Hence we make naturally enough the transition to the theory of value as formulated by Menger and Böhm-Bawerk; and here we are on familiar ground, the ground trod by Jevons, in the sphere of "marginal utilities" and the like, and of the relation of cost of production to price. Points, however,

which—to us who made no head and scarcely any tail of Ricardo's famous chapter, found help in De Quincey, and salvation only in Jevons—were largely insoluble, work out quite easily (and without the use, be it noted, either of functions or of theoretically unjustifiable differentials) with the Viennese economists. Specially important, if not novel, in this section are the distinction of what is physically or technically useful from what is economically valuable as the *sine qua non* of a satisfaction, the discussion of substitutional utilities, and the treatment, after Menger, of the questions relating to complementary goods.

After value price. An elaborate analysis of what actually goes on in markets in the fixing of prices, an analysis which justifies Böhm-Bawerk's claim to be as experiential as any economist of the "historical" school, while as abstract as Ricardo, has for its upshot the doctrine that the final making up of a price rests with the "marginal pairs" of "most capable" buyers and sellers, between whose subjective valuations it lies; the part of the "less capable" competitors in a market is quite triumphantly expounded. And thus the field is at last left clear for Interest.

Our valuation of future goods differs from our estimate of present goods on three main grounds. First, non-correspondence between our want and the provision for it. Present want, *e.g.*, urges the needy fatally; the young hope to be better off. Secondly, perspective underestimate of futurity. We fail adequately to picture the future; when we succeed in picturing it, weakness of will makes us unable to "realize" it; and life is uncertain, (the way in which the uncertainty of life comes in is analyzed in the most masterly way); in fine, we need an impossible calculus of feelings—for mathematical psychics are but a calculus of variations—if a bird in the hand is not to be worth two in the bush. Thirdly, "the technical superiority of present goods,"—a cause which acts alternatively to, and not cumulatively with, the other two. If we can await the results of roundabout processes, our product will be greater. And not only so, but our roundabout methods are productive of more *value*, as Böhm-Bawerk shows in a quite convincing proof, which, however, I venture to think, justifies as an alternative, if not very deep-reaching, theory of interest, one expressed in the language of the value-productivity theory. Be this as it may, in virtue of diversity of estimate as to present and future, present A equals future B plus X, where X is a part equivalent of A, though A and B may be both, say, a hundred pounds sterling. If A and B be physically equal, X is the natural interest of A and is one which will emerge even under a socialist *régime*, though it may return to the workers as joint owners of the capital of the community.

The remaining great problem for our author is, when once the emergence of natural interest is successfully vindicated, the rate of interest. And the solution is a corollary merely, though one that involves thinking of the hardest, from what has preceded. Rate of interest is settled by the relation between the subsistence fund, the population dependent on it, and the degree of productiveness realized by, *i.e.*, the extendedness of process allowed by, the economic development of society.

To give anything like a complete account of the variety of topics treated in detail within this book is altogether impossible. The solution of some of the problems of value by the double grading of goods in classes and by units ; or, again, the working out of the question of surplus value with reference to durable goods ; or, again, the parallel between the capitalism of the communistic and that of the individualistic state ; or, once more, the elaborate point that present productive goods are economically future goods,—would any one of them be sufficient by itself to make the reputation of an ordinary writer on economics.

And to criticize a book of such altogether magistral authority is at once a dangerous and ungrateful task,—one, too, rendered the more difficult by the extent to which one is necessarily in sympathy with it. No book, however, is perfect ; and here, too, there seem to be flaws. The undertaker and capitalist are not fully distinguished. Undertakers' profit as distinct from interest is ignored, and all that Walker has done to elucidate this conception—his treatment of the no-profit *entre preneur* and the rest of it, which we hold to be true to the facts of business life—remains for Böhm-Bawerk apparently unwritten. Our author fails, too, we think, to estimate aright that which remains true in the productivity theories, that in life we only forecast roughly the value of our product, and then make a price in the market for raw material, so that the cost of our materials is often actually decided while the value of the product is still most problematical, and thus does really do something towards the determination of the price. Böhm-Bawerk's attempt, again, clever and ingenious though it be, to deal with land-rent as interest on a durable good is, or ought to be, condemned by anticipation in what the author has to say of the non-inclusion of land under capital and of the use of analogy. The renewal, too, of his controversy with the use-theorists, and the entrance upon a controversy with Scharling are to be deprecated ; a master needs not to cross lances with each and every critic. Finally, Böhm-Bawerk perhaps tends—quite unnecessarily, for no one will deny either his originality or daring—to over-estimate the extent of his departure from the teaching of his predecessors. These

points may be blemishes or they may be proofs of misunderstanding in the reader ; if the former, they are but spots upon the sun.

Of Mr. Smart's work it is impossible not to speak in terms of highest praise. Translation and introduction are alike excellent. That one confessedly capable of sound original work in his subject should have devoted himself to the task of translation, and should have given an introduction which errs, if at all, on the side of too literal a condensation of his author, resulting now and again in obscurity, is a fact for which the writer and his English public must alike be grateful.

HERBERT W. BLUNT.

NOTIONS FONDAMENTALES D'ÉCONOMIE POLITIQUE ET PROGRAMME ÉCONOMIQUE. Par M. G. DE MOLINARI, correspondant de l'Institut. [466 pp. 8vo. 7 fr. 50. Guillaumin. Paris, 1891.]

M. de Molinari has the courage of his very uncompromising opinions. Waving the banner of *Laissez faire* and *Laissez passer*, he stands upon the ancient ways, with the company of "Economists worthy of that name, Adam Smith, J. B. Say, Charles Dunoyer, Bastiat, J. Garnier," in the van of the battle against "the State Socialism predominant in Italy, in the United States, and in Germany, and which has been propagated in England by the followers of J. S. Mill," with the entrenched camp of the Liberty and Property Defence League in his rear, and the light forces of Mr. Herbert Spencer skirmishing on his flanks.

He is admirable alike for the simplicity of his assumptions and for the logical consistency of the argument which he pursues through three hundred and fifty closely printed pages, undisturbed by the intrusion of a single importunate fact. Since "every diminution of fixed or circulating capital necessarily causes a rise of rent, interest, and profit, and a fall of wages," the economic ideal is the greatest possible increase of capital, or rather of a part of capital, viz. the instruments of production —for the producer himself is capital, according to M. de Molinari.

Absolutely free competition, the most unimpeded struggle for existence, will eliminate the incompetent and the idle and secure the maximum produce. This reasoning is familiar, as well as the substitution for the optimistic teleology of the last century of those dangerously easy modern formulas—survival of the fittest, economy of force, and the like.

There is more originality in the argument by which M. de Molinari comes to the conclusion that the "necessary wage" is that to which the remuneration of the labourer inevitably gravitates, and, unconsciously

as it seems, confirms the socialistic contention that under a system of competition the price of labour is kept down to a minimum by immutable necessity. Capital is wealth employed productively, and this wealth has itself been produced. Land and labourers, as well as tools, materials, food, etc., are capital.

The price of everything must on an average tend to replace the expenditure necessary to produce it, together with the profit required to determine that expenditure. So, for instance, the price of the land (rent) is determined by the outlay necessary to produce the land (the *produit-terre*, as M. de Molinari likes to call it). "Like most other productive processes, the production of land requires several successive and distinct operations. The land must be discovered, conquered, and occupied before it can be inhabited and cultivated." The capital—human and material—required for these various operations must be attracted by the prospect of the ordinary rate of remuneration, and "the total cost of the discovery, conquest, and occupation of the land must therefore be covered by the realized or realizable value of the soil thus prepared for productive use" (pp. 118, 133, etc.).

The production of land in the past was carried on in a wasteful and unintelligent manner, with much unnecessary fighting and the like; but the methods of this, as of other industries, have greatly improved. The soil of America has cost humanity less than that of the old world; and that of Australasia has been brought to market with a still smaller outlay. *Hence a general fall in the value of land* (p. 133).

The acquired and natural abilities of the labourer are also capital—"Producirter Productionsmittel,"—or rather the labourer himself, who is inseparable from them, is capital, and his price (wages) must therefore also be determined by his cost of production. Accordingly (p. 208) our author concludes that if wages have risen it is because improved methods of production require greater intelligence in the workman, and the more intelligent a man is, the more costly a product he becomes; and so we cannot escape the "iron law." Nor is the remedy for the sufferings of the working classes propounded by our author very hopeful. The labourer is unfortunately himself producer and product. He might employ his capital in some other way instead of devoting it to continuing the supply of labour by providing his children with sustenance and education—an employment in which it rarely realizes the ordinary rate of profit; but he is beguiled, by what M. de Molinari calls the "physico-moral" profit, into carrying on, even at a loss, the business of reproducing his species in the unintelligent and shortsighted manner characteristic of most domestic industries. Nor when the commodity is produced does he know how to dispose of

it to the best advantage. The business was far better managed by intelligent slave-owners. They calculated beforehand what the demand would be, and produced the number of slaves required to meet it; they carefully watched the labour market, and were alert to carry their wares where they were wanted. If the production of labour is to be at once profitable and cheap, it must be organized like other industries which supply the vast markets of the modern world, subject to constant fluctuations in the amount and character of their demand. It must be directed by skilful undertakers, who will do for the free labourer what the owner did for his slaves (pp. 333 et seq., and p. 406).

Every obstacle to competition, whether natural or artificial, is an obstacle to progress. Not only are all protective duties mischievous, but even copyrights and patents savour too much of monopolies to be tolerated. Indirect taxation is but a device to rob the people by stealth. A league of peace sworn to fall at once on an aggressor should make war impossible, and relieve the nations of Europe from the monstrous burden of their overgrown armaments. The State should content itself with its proper function of police, and abandon not only the business of the Post Office and the control of public means of communication, but also the management of the mint, and of the emission of proper money.

M. de Molinari is an economist of reputation, the author of various books, a correspondent of the Institute, and the editor of the *Journal des Économistes;* to criticize his views in the small space at our disposal might seem impertinent; it would, perhaps, also be superfluous.

P. F. Willert.

JUSTICE: being Part IV. of the *Principles of Ethics*. By Herbert Spencer. [viii., 291 pp. 8*s*. Williams and Norgate. London, 1891.]

For readers of the *Economic Review* the interest of this work is, that it undertakes to demonstrate that, on the one hand, Individualism is the principle of government absolutely and unconditionally demanded by morality: and that, on the other hand, all Paternal or Socialistic legislation necessarily is, and, without consideration of its consequences, may at once be known as wholly immoral. Some Individualists have endeavoured to establish the same conclusion by taking, as their fundamental axiom, the proposition that Freedom is the sole and the ultimate object which it is the function of Government to ensure. But though Mr. Spencer expresses the "formula of justice" in the words, "Every man is free to do that which he wills, provided he infringes not the equal freedom of any other man," he is prepared to correct any

misapprehension of the meaning of the formula by reminding his readers that, "though not the immediate end, the greatest sum of happiness is the remote end" (p. 46, § 28). But though Mr. Spencer thus agrees with the Utilitarians, and with "common sense," in regarding freedom as merely a means to happiness, and in considering the true object of State-interference to be to secure the individual, not freedom merely, but freedom to seek his own happiness; still Mr. Spencer differs at least as widely from Utilitarians as from the advocates of freedom, pure and simple, in the reasons for his ardent and uncompromising belief in Individualism. Utilitarian Individualists have been content to base themselves on experience and expedience: experience shows that, on the whole, a man, a sane adult, is the best judge of his own interests, and that State attempts to dictate to him how he shall pursue those interests have usually done more harm than good; still, at the same time, expedience may advise that men, when they are notoriously negligent of their own safety or interests, should be compelled as far as possible to be less negligent. But it is Mr. Spencer's aim to transcend both expedience and experience. It is his mission to prove *à priori* that expedience must be a misleading guide, that it must be in the nature of things essentially bad to swerve a hair's breadth from the lines laid down by the strictest Individualism. Now, in the first place, no such *à priori* proof is possible to any philosopher who bases himself on experience: expedience is but an appeal from experience to experience, and the thinker who accepts experience as the basis of Individualism cannot refuse to acknowledge its authority when experience seems to indicate that an exception has arisen to its own rule. In the next place, Mr. Spencer's Synthetic Philosophy protests with its whole voice against taking human experience—even though it be the uniform and uncontradicted experience of the whole race throughout its history—alone into our purview when we are concerned with a law of life. To limit ourselves in such a way is to ignore the continuity which, as evolution shows, runs through all forms of life. Mr. Spencer therefore seeks some "deeper uniformity" than can be afforded us by any rough, empirical generalization drawn from merely human experience. He requires some law which applies, not merely to human life, but to all forms of life—the law by conformity to which all species of living things are preserved, and by violation of which any species must perish. Now, no one who read the first five chapters of *Justice*, when they originally appeared in the *Nineteenth Century*, indeed no one who is at all acquainted with the principles of the Synthetic Philosophy, will be surprised to discover that this law is that briefly known as the Survival of the Fittest. The preservation of

any and every species of living things is effected, when it is effected, wholly and solely by the survival of the fittest members of that species. If the fittest do not survive, the species must become extinct. And the fittest can only survive, if each individual "takes all the consequences of his nature and conduct." Therefore, it is a law of life, which holds good alike of the lowest parasite and the most complex organism, that every member of the species must take all the consequences of his nature and conduct, in order to ensure the preservation of that species.

But any cogency which this argument of Mr. Spencer might possess is destroyed by Mr. Spencer's definition of "the fittest," which he expressly explains to mean "the fittest to survive" simply. For, if any members of a species survive, they must be the fittest to survive; and they survive anyhow, whether every individual is or is not allowed to take all the consequences of his nature and conduct. It is, indeed, probable that those who are fittest to survive under the one *régime* will not be the same individuals as survive under the other; and it is, further, possible that those who survive under the former *régime* may be better adapted to ensure the preservation of their species, than are those who are fittest to survive under the other *régime*. But that is not Mr. Spencer's line of argument. He says that the fittest to survive will only survive provided that every individual takes all the consequences of his nature and conduct—whereas it is obvious that, under any conditions, the survivors must be those who are fittest to survive. "Taking the consequences," etc., is no more an indispensable condition to the survival of the fittest, than is "not taking the consequences." In the latter case the fittest to survive will survive just as much as they will in the former case. Mr. Spencer's search for a "deeper uniformity," his attempt to transcend mere human experience, does not result in anything very convincing.

But we will not insist upon that. On the contrary, let us grant that "taking the consequences," etc., is indispensable to the preservation of a species. The question arises, "How are we to provide that each individual shall take all the consequences of his nature and conduct?" Mr. Spencer replies in effect, "Prevent aggression and the desired result will be at once attained." Now, aggression may be prevented either by individual action or by State interference; and at this point Mr. Spencer deserts the high *priori* road, declares in favour of State interference, simply on the ground that it is a less evil than individual self-defence, and so, in my opinion, gives up the whole principle of his case against Socialistic legislation. Such legislation is recommended, by those who advocate it, for precisely the same reason that Mr. Spencer advocates

State interference for the repression of aggression, viz., that experience indicates it to be the lesser evil. It was therefore incautious of Mr. Spencer to draw a somewhat disagreeable parallel between the advocates of Socialistic legislation and the pick-pocket, on the ground that both guide themselves by expediency.

To turn to another subject, one would like to be sure that one quite understood the meaning of the expression "each individual must take *all* the consequences of his nature and conduct." Mr. Spencer cannot mean literally *all*. The good men do lives after them. Some of those consequences continue for hundreds and thousands of years after the individual has ceased taking consequences or anything else. And if we confine ourselves to those consequences which ensue during the agent's lifetime, it is similarly obvious that many of them are such as cannot be borne by him, *e.g.* the sympathetic pains and pleasures felt by others: we all bear each others' burdens. We must therefore exclude those consequences which cannot possibly be borne by the agent, and limit Mr. Spencer's universal proposition to those consequences which under one set of conditions are taken by the agent, under a different set are not, and under yet other conditions might all be borne by the individual from whose nature and conduct they ensue. But even from them an important deduction must be made on Mr. Spencer's own demand: the consequences of aggression must be excluded. Justice therefore will be done, according to Mr. Spencer, if the agent takes all the consequences of his nature and conduct except the consequences of aggression. This seems clear and consistent enough, as long as we abstain from asking for a definition of aggression; for, when we do prefer the request, we find that aggression consists in preventing a man from taking those consequences of his nature and conduct which in justice he is entitled to take. In other words: the just is that which is not unjust, the unjust is that which is not just—that is to say, Mr. Spencer's account of justice reduces itself to the statement that that which is just is just.

But it may be said that, in expanding an identical proposition into a system of ethics, Mr. Spencer is but following the usual, if not the recognized, practice of philosophers. Aristotle's theory of the Mean may be reduced to an identical proposition: the mean is neither too much nor too little; too much and too little are more or less than the mean. Very good; but we do get some practical guidance from Aristotle: it is something to be put on our guard against extremes. Let us see, therefore, what guidance we can get from Mr. Spencer's doctrine of taking the consequences. The labourer, the landlord, and the capitalist, by their respective exertions and abstinences, jointly

produce a crop of corn. It is required to divide the corn justly between the three.

Mr. Spencer says, let each take all the consequences of his nature and conduct, and justice will be done. Will any one maintain that this brings us one jot nearer to the solution of our difficulty, that it puts us on our guard against any error, that it sets us on the right path? I will venture to say that it actually puts us on the wrong track, that it leads us to entertain the erroneous idea that there is one sheaf of corn which is the consequence of the labourer's nature and conduct, another of the landlord's, and another of the capitalist's,—whereas this is as though we were to say that, because 6 is the product of 2×3, therefore one portion of the number 6 is the product of the factor 2 and another the product of the factor 3.

Finally, as justice is all the consequences minus the consequences of aggression, let us see how Mr. Spencer conducts the process of subtraction. The appropriation of land into private ownership was in the first instance, according to Mr. Spencer, an aggression by the appropriators on the rest of the community; and, estimated in money, the amount of the aggression was the value of the land when appropriated, *i.e.* its prairie value. But since A.D. 1600, land-owners have, under the Poor Law, paid £500,000,000 for the benefit of the expropriated. This amount exceeds the prairie value of the land of this country; therefore, practically, so far as the land is concerned, we all are now taking all the consequences of our respective natures and conduct. The conclusion may or may not be true, but I do not see how it can follow from Mr. Spencer's premisses. Appropriation tends to prevent the landless members of the community from taking certain of the consequences of their nature and conduct. The Poor Law, therefore, ought to have counteracted this tendency. In other words, Mr. Spencer has to show that the Poor Law has counteracted the tendency of the private ownership of land to throw the landless into poverty. But it is notorious that Poor Relief, instead of being administered to prevent poverty, has been and is granted to palliate the results of improvidence, idleness, and intemperance—which are much more truly the consequences of the agent's own nature and conduct than of his exclusion from the soil. In fine, the Poor Law has been administered so as to enable the individual to shoulder off some of the evil consequences of his own actions on to somebody else; and how this, being in itself unjust according to Mr. Spencer, can be a practical justification of private property in land, which also, according to Mr. Spencer, is, to start with, a piece of injustice, is for Mr. Spencer yet to explain. In the mean time, the plain man will probably continue to

hold that two wrongs cannot make a right; and that if private ownership is to be, as it can be, justified, it must be by some other argument than Mr. Spencer's. To spend £500,000,000 in demoralizing people whom you have previously pauperized, by robbing them of £500,000,000, doubles the injury rather than gives "a valid basis to the right of private property."

F. B. Jevons.

THE ECONOMIC INTERPRETATION OF HISTORY. By James E. Thorold Rogers, late Professor of Political Economy in the University of Oxford. [Second Edition. 547 pp. 8vo. 7*s.* 6*d.* Unwin. London, 1891.]

This book is an absolute facsimile of the original edition, except that a few corrections have been incorporated. The paging is precisely the same, but the paper is thinner, and the book is able to be offered at a price considerably below that of the former edition. The demand for a second edition of such a work is a most convincing proof both of the growing popularity of economic studies and of their spread among a class of persons who have not the money, even if they had the time, to be properly equipped students. We may look forward, at no very distant date, to the teaching in schools from historical text-books which devote as much space to the economic history of the people as is given at present to the detail of military campaigns, which would find a more fitting place in a treatise on tactics. Professor Rogers's chief title to fame is the impetus which his laborious researches into the uninteresting details of mediæval prices gave to a whole younger generation of students, who, however much or however little they may modify his actual conclusions, will be bound to work largely from the material which he so lavishly provided.

D. J. Medley.

HISTORY OF COMMERCE IN EUROPE. H. de B. Gibbins. [233 pp. 3*s.* 6*d.* Macmillan. London, 1891.]

This book is the first of a series of elementary Commercial Class Books, which is being edited by Dr. Gow, of Nottingham School. There is hence additional interest imparted to the work before us, which is still more enhanced by the fact that the series itself is a "new departure." Of the objects of the editor and publishers, as stated in the advertisements, most teachers with any practical experience will approve; to quote the actual words, the main object is "to enliven the drudgery of beginners by giving them very early

some glimpse of the utility of their studies." It is a truism that education of the young should aim primarily at developing capacity rather than at imparting knowledge ; but if the teaching of a subject can be so systematized as to attain both these objects at once, it is obvious that time will be gained. In such a case, the demands made upon the teacher are very great, indeed in many (may we say " most " ?) cases, the teacher could not hope to succeed unaided. Such books as this *History of Commerce* will be invaluable in giving some of the aid he requires. It should, however, be distinctly understood that this book is not (and no doubt is not intended to be) a handbook for the beginner, who knows little or no history or political economy. It would be in the highest degree unsatisfactory to depend upon it alone ; but it will be extremely helpful as a basis for oral teaching, or as a short connected sketch of historical events having special commercial importance for the student who has already a fair acquaintance with general history and economic theory. And this leads us to hope that Mr. Gibbins in a future edition will reconsider such phrases as the following : " Now, of course it depends very largely upon the physical characteristics of a country . . . *as to whether* it can produce certain necessaries of life " (p. 4). " This company even tried to *get up* an overland trade to India " (137). Such sentences, many more of which might be quoted, give a hasty and unfinished appearance to the book ; and it is of especial importance that teachers should avoid a loose style of English. One or two misprints also disfigure the work, of which perhaps the most important is " 1871 " for the foundation of the bank of Venice ; it should be 1171. The maps are a distinct feature, and should prove exceedingly helpful. We should like to see another, or perhaps two more in that part of the book which deals with the industrial revolution, showing the alterations in the distribution of population caused by the great inventions of the eighteenth century. Such maps would be of much value in helping the teacher to explain modern phenomena.

J. B. Baker.

MODERN CHANGES IN THE MOBILITY OF LABOUR, ESPECIALLY BETWEEN TRADE AND TRADE. By H. Llewellyn Smith. [23 pp. 1*s.* 6*d.* Frowde. London, 1891.]

This is a continuation of the careful and systematic discussion of industrial mobility, of which Mr. Llewellyn Smith has already given us two instalments in vols. i. and ii. of Mr. Booth's *Labour and Life of the People.* Mr. Llewellyn Smith's writings remind us that however Malthus' conclusions may have been modified by a closer

examination of social structure, his method was prophetic of much of the best investigation work of our time.

The two articles in *Labour and Life of the People* dealt with mobility between place and place, and especially between town and country; the present *Report to the Toynbee Trustees* treats of mobility between trade and trade. In the former case, mobility could be measured by actual movement; in the latter, mobility does not necessarily vary with movement. On the contrary, education and easy communication have decreased movement, but increased mobility; there is less wandering about in search of work, but more rapid information as to vacant places in other trades.

Thus the divisions between trades tend to assume the form not of hard-and-fast lines, but of "initial frictions" to be surmounted, *e.g.* the unwillingness of an overseer to take on a man who will need a few days' training in a new branch of work. These "initial frictions" are sufficient to keep trades apart in ordinary times, but in times of industrial pressure they are easily surmounted, and are no real check to mobility.

Further, the hindrance to mobility due to the children's inclination to follow their parents' trade tends to diminish. This tendency is due partly to the multiplication of subsidiary industries, which group themselves round most of the leading trades, and give a lad a considerable choice of industrial pursuit without leaving his father's trade; partly also to the substitution of the factory for the domestic system, which was the stronghold of the hereditary principle.

Mr. Llewellyn Smith suggests an interesting inquiry whether the hereditary tendency in trades is wholly due to influences brought to bear on the child during his own lifetime, or in part to influences born with him. He makes his peace, however, with the followers of Weissmann by pointing out that the question is not as to the transmission of acquired habits, but as to the action of natural selection in inducing workers through successive generations to choose those trades for which they are best equipped.

His conclusion on the main question is that, while the use of machinery and the growth of production on a large scale tend to increased division of labour as regards process, they also tend to facilitate mobility between those engaged in the production of different articles. Instances of this mobility may be found in those who make machines, and in those who mind engines. In the case of the actual minders of machines there is also considerable mobility, but only because the skill required is small and easily learnt. On the other hand, the overseer of the machine-minders is as a rule a highly trained and specialized artisan, and therefore very immobile. This is not the case with the

masters or general managers, who, though highly specialized in function, require less and less of special knowledge as industry increases in scale, and can therefore easily pass from the management of a large business of one kind to that of a different kind.

The *Report* is full of interesting points, and of well-chosen illustrations. It also contains some statistical appendices, showing the former occupations of those engaged in the Manningham Silk Mills at Bradford, the occupations of their parents, their birthplaces and places of last employment, and the date of their migration to Bradford.

I hope that Mr. Llewellyn Smith's various publications may be regarded as first essays towards a larger work on industrial mobility, which will include studies on mobility between different countries, as well as between different places and different trades.

W. J. H. Campion.

MUTUAL THRIFT. By the Rev. J. Frome Wilkinson, M.A. [318 pp. 2*s.* 6*d.* Methuen. London, 1891].

Mr. Wilkinson has succeeded in writing a really interesting book upon a subject which is, to the uninitiated, rather forbidding; and those who desire to gain a good idea of the past history and present position of the Friendly Societies can hardly do better than read *Mutual Thrift*. The first four chapters of the book are historical. The reader is taken back to the last century, before the beginning of which, as DeFoe bears witness, the name of "Friendly Societies" was already known. They were mostly small local clubs, meeting in pot-houses, and distinguished for conviviality and crude finance, though some traces of affiliated orders are to be found. Very amusing is the account of some of these early associations—the Club at the "Bear and Ragged Staff," which boycotted all soldiers, sailors, sheriff's officers and their followers; the Patriotic Oddfellows, with their grotesque initiatory rites; the Ancient Oddfellows, with their little bills for "Six Beards 12*s.* 6*d.*, Hail Storm 8*s.* 6*d.*, Silk for Scarfs £20 0*s.* 0*d.*, Sun and Moon 16*s.* 0*d.*" But to the history of the societies during the present century a more serious interest attaches. The difficulties against which they struggled, the long course of legislation which has placed them in their present position of comparative—*only comparative*—solvency, the labours of their great financiers to apply sound principles to their systems of insurance,—all these are here traced with sympathy and wide and intimate knowledge. The broad and very significant result seems to be that the local societies are mostly at a standstill or decaying, while the gigantic affiliated societies are advancing by leaps and bounds.

But it is the later chapters, dealing with the problems of the present day, that are of most practical importance. That Mr. Wilkinson assigns the palm among the different forms of thrift institutions to the great affiliated societies is quite clear. The Savings Bank is an inferior system. It does not bring the individual depositors into contact with each other. It is a scheme of State Socialism which emphasizes individualism, and has no such educational power as results from the united efforts of a great voluntary association for mutual thrift. And it has not proved a success. The Deposit Societies are artificial and complicated in their working. The collecting Burial Societies exist primarily for business ends, though testimony is borne to the splendid organization and discipline of the huge "Prudential," with its more than nine million policies. The writer grudgingly admits the necessity of such societies. Education in thrift has not yet advanced so far that we can dispense with the great army of collectors who gather in the weekly pence, though the rapid increase of Juvenile Associations is a hopeful sign that such education is beginning earlier now than formerly. Mutual thrift seems to make least headway among women; while, of the British Islands, it is melancholy to note that Ireland is far in the rear.

Of the recent outcry against Infant Insurance Mr. Wilkinson makes short work. He thinks it based on great exaggeration, though willing that there should be some additional safeguards. On compulsory insurance he is precluded from saying much by the nature of his subject, but he expresses strong dislike of it, whilst viewing the idea of pensions for old age more favourably. But there is no space to even allude to all the topics on which he makes valuable suggestions, the outcome of wide experience. To all who desire to study the subject as a whole the book itself may be cordially recommended.

H. G. Snowden.

New World Problems :—

1. REPORT OF SPECIAL COMMITTEE ON OUTDOOR-ALMS OF THE TOWN OF HARTFORD, A.D. 1891.
2. PRISON AND REFORMATORY SYSTEM OF ONTARIO —REPORT OF COMMISSIONERS, 1891.

Certainly Canning's appeal to the New World has been answered in a great variety of ways, and in ways of which he little dreamed. The two books named at the head of this notice tell a tale of careful observation, of genuine philanthropic interest, and of practical ability. It seems, at first sight, strange that the question of outdoor relief should be pressing on the citizens of Hartford, Connecticut. Comparing

their conditions of life with those of England in the days of the old poor-law, no resemblance even can be traced. On the one hand, you have an increasing population, a constantly descending margin of cultivation, a steady rise in the cost of food, and a more or less rigid protective system. Such was the state of things which made England lean to a "generous" treatment of the pauper population. In America, on the other hand, are cheap food, abundance of land, constant and regular employment,—in a word, a state of material well-being almost without parallel in history. But both alike, England and America, have produced a certain type of pauper, who is largely the result of a bad system. In short, the history of recent inquiries in Hartford should bring home to us the great truth that careless administration, even of a good, sound, and wholesome law, may, and indeed rapidly will, create a class of persons who prefer living upon public alms to earning their own bread, even when it may be had for a minimum of exertion.

It was on October 27, 1890, that public attention was called to the pauper question in Hartford, mainly by the exertions of Dr. McCook, a learned professor of Trinity College. On the 9th of November a committee of inquiry was appointed by that fine old democratic institution, the town meeting. The results of their inquiries are set before us in an official report. The committee found that pauperism was high in Hartford, higher than in most American towns, and at least as high as in the average European city. One person in every sixteen of the inhabitants was a pauper, a figure corresponding to that of Dorsetshire or the backward parts of Oxfordshire among ourselves. And they further noticed that outdoor relief in Hartford exceeded outdoor relief elsewhere in about the same proportion. Hence they argued that the two were closely connected, and set themselves to examine carefully into the principles and practice of outdoor relief. They found a state of things which in almost every feature carries the reader back to the immortal report of 1834. (1) Relief by law was confined to the destitute as with us, the poor having been defined by the courts as those destitute of the means of living and the power of obtaining them. Of those receiving outdoor relief, fifty-one per cent. were not destitute. A list of the groceries purchased by outdoor paupers is most curious, something like forty-one per cent. being luxuries as against necessaries, and luxuries which make one's mouth water, such as broma, candy, doughnuts, canned succotash! It is not surprising to find that "the names of some of the articles are new to your committee." (2) Relief, if given out-of-doors, was to be given, by law, only in cases of temporary distress, where removal to the almshouse would be

unadvisable. The committee found that persons had been in receipt of relief for periods of from four to fifteen years, and out of 378 recipients in a given year, only 66 could plead *primum tempus*, the rest were old hands. (3) Both outdoor and indoor relief to the sick was greatly abused ; large numbers of persons took advantage of it who were well able to provide themselves with medical attendance and drugs. (4) The custom of joint funerals, in which the State pays part and the friends part, had produced great mischief, semi-pauper funerals being notoriously extravagant. In short, everything at Hartford was tending to the formation of a large pauper-class, which would in after years have eaten up the well-to-do citizens.

The recommendations of the committee, approved, one is glad to hear, "without amendment, in a large and representative town-meeting," are of a very simple, straightforward kind. The officials are to be more permanent in their tenure of office, for the "select man," like the English "overseer," has only just learnt his work when he lays it aside. A charity commission is hinted as a necessity if the whole ground of poor-relief is to be covered. The law is to be carried out as it stands, being found to be much better than recent practice. Examination, inquiry, and care are to be substituted for the present slip-shod methods of administration.

The experience of Hartford is at once an encouragement and a warning to us. A warning, that nothing will prevent demoralization following in the wake of bad administration but thoroughly careful personal supervision—relax it for a moment, and the wheels slip back. An encouragement—as showing that the public mind is open to argument in a well-educated community even on poor-law subjects ; that, if once public interest is roused reforms will follow ; that the judgment of the public will, as a rule, be sound.

Of the second of the two works named it is impossible to speak in equally high terms. Truth to tell, there is something like a mania for inquiry on the other side of the Atlantic. Reports, examinations, statistics succeed one another in bewildering confusion ; nor do they always satisfy the reader that the principles on which such investigations can be usefully conducted have been firmly grasped. The State of prisons in Ontario seems to leave much to desire. The system of separate confinement is not yet adopted, nor even recommended, on account of its expense ; the classification is extremely imperfect ; the capacity of the governors is clearly, in many cases, small ; the scale of the prison is often ludicrous. Under these circumstances the recommendations of the commissioners have but little value for us in England.

L. R. Phelps.

THE SOCIAL DOCTRINE OF THE SERMON ON THE MOUNT.[1]

THE Bible is, as a literature, unrivalled in giving expression to the true relation of the society to the individual. It presents an ideal of Christian, *i.e.* truly human, society in which the social pressure and the reaction of the individual character and conscience are in a just equilibrium. It emphasizes authority over the individual man. It emphasizes also the sanctity of the individual personality, the inalienable responsibilities and rights of the individual, as a being of action and of thought.[2] The Roman Church may have emphasized the element of authority in the New Testament, and Protestantism the element of liberty, but, in fact, both are there, to receive frank and adequate recognition. Both are there, because already, outside the region in which Christ is known, both are elements

[1] This article is, in substance, a lecture delivered on March 29th, in St. Paul's Chapter House.

[2] For the authority of the Church over the individual, see St. Matt. xvi. 19; xviii. 18, where the "binding" and "loosing" is the action of legislative authority; St. John xx. 23, where the forgiving and retaining sins is the action of disciplinary authority as applied to persons. The legislative authority is exhibited in action in Acts xv. 28, 29; 1 Cor. vii., viii.; 1 Tim. v. 14–16, etc.; the disciplinary in Acts v. 1–11; 1 Cor. v. 1–13 ("judging those within"); Titus iii. 10, etc.

On the other hand, our Lord's method with men exhibits the very opposite of a despotic form of authority: see *Bampton Lectures*, 1891, on "The Incarnation of the Son of God" (John Murray), lect. viii. He shows the profoundest respect for individuality; He makes the deepest requirements on personal effort in apprehending truth. Again, there is in the New Testament a constant recognition of the capacity of *all men* to rise to full Christian knowledge (Col. i. 28; 1 John ii. 20), and of the independence of the "spiritual man" (1 Cor. ii. 15). A moderate ideal of the exercise of authority is exhibited in such passages as 2 Tim. i. 23–26. There is a constant appeal to "the tradition," to reason, and to conscience, rather than to discipline *per se*. There is a frank respect for legitimate liberty as expressed in Rom. xiv., and a dread of not merely Jewish ordinances, but all such ordinances as represent a Judaic bondage (Col. ii. 16–23).

in the moral progress of mankind. The moral conscience, as St. Paul describes it in those who "have no law" (Rom. ii. 15) is both social and individual; it is an individual "conscience bearing witness" to the moral will of God, and "mutual reasonings" among men "accusing or else excusing" one another—that is, a social conscience brought to bear upon the individual.

Man, then, is social and individual. And a man on the way of redemption, a believer in Christ, is an individual member of a great society, or kingdom,—the catholic Church; under the authority of the Church with its powers of legislation and discipline—its power of the keys, its authority to bind and loose,—but not under its authority in an arbitrary sense; because its authority extends only to applying the law of its Master, whom the man's own conscience has recognized and adored, and who Himself exhibited so careful a respect for human individuality.

I am concerned now, not with the wide subject of Christian authority and liberty, but with a particular form of Christian authority, namely, the authority which the Church ought to exercise in matters of social morality; and that, with special reference to the Sermon on the Mount, considered as supplying the fundamental moral law of our Lord's kingdom.

The Church at large, and each national or local Church, is to be a society binding and loosing in the name of Christ: that is —so far as concerns morality—adapting Christ's moral teaching to the circumstances of each age and place; declaring this to be lawful and that to be unlawful; and applying these abstract principles to individuals in moral discipline, admitting this one and excluding that one, suffering this one to continue in the privilege of membership and refusing to suffer that one absolving and retaining sins. This ecclesiastical discipline in matters of morality has mainly, in later Church history, and among ourselves, come to be—when it has been exercised at all—a private matter; and we have had, in this respect, much controversy in the English Church about the rightful position of confession to a priest, penance, and absolution. But in this

discussion, as to one application of Church discipline, the primary principle has become obscured. We take sides as to the function of the priesthood in the matter, or the danger of priestcraft, and leave out of sight what is the prior question—viz., the prerogative and duty of the Church as a society.

No one, with his eye on the New Testament and the earliest records of the Church, can deny that the Church was, and was by Christ intended to be, a society with a common moral law, which was to be constantly and authoritatively reapplied by way of legislation in general principle, and applied by way of discipline to individuals, in admitting them or refusing to admit them into the Christian society, retaining or refusing to retain them in membership.

This function of the Church in moral legislation for its members has been lamentably obscured: in part because, in the concentration of interest in the Western Church upon the discipline of the confessional, *casuistry*, which is the application of the general law to particular cases, has been developed almost entirely with a view to absolving individuals. It has thus become—necessarily, indeed, and rightly for its own right purposes—not an enunciation of how Christ would have men act, but rather a statement of the minimum requirement, the easiest terms on which a priest can give absolution to a penitent; or even, when misused, an attempt to evade the plain meaning of the moral law so as to keep slack consciences within the terms of Christian communion. "The first object," writes Macaulay, truly of certain Jesuit casuists, "was to drive no person out of the pale of the Church. Since there were bad people, it was better they should be bad Catholics than bad Protestants. If a person was even . . . a bravo, a libertine, or a gambler, there was no reason for making him a heretic too." The solemn words of Bishop Butler's sermon *Upon the Character of Balaam* have their application to the Church, as to the individual conscience. "Those courses, which, if men would fairly attend to the dictates of their own consciences, they would see to be corruption, excess, oppression, uncharitableness; these are refined upon—things were so and so circumstantiated

—great difficulties are raised about fixing bounds and degrees; and thus every moral obligation may be evaded. There is scope, I say, for an unfair mind to explain away every moral obligation to itself."

Amongst ourselves, the disastrous identification of Church and State, which has allowed the Church to lose its free legislative functions within its own sphere, has altogether obscured, among ordinary Church-people, the sense that there is a social law binding upon their consciences—as in matters of matrimony or of commercial dealings—which is distinct from, and which goes beyond, the law of the State.

How are we to set about applying a remedy to this evil? In the way in which it has been actually in great measure remedied in other departments of Church life. The distinctive theological doctrines of the Church have largely, in recent years, come to be recognized afresh through the voluntary combination of Churchmen to assert their principles and put them into practice. The same course must be pursued in regard to the Christian moral law. We must get genuine Christians together to think out for themselves, and formulate for their own guidance, the moral law of Christ, as applied to modern conditions. Then a clearer Christian public opinion will form itself, and it will prevail among Churchmen, as theological opinion has prevailed; and the Church will stand out again, in the public eye, as a body which has a clearly understood moral code, for politics and business and society, as it has a clearly understood creed. This is, at any rate, the preliminary step towards the revival of legitimate discipline. At present, we have a great many earnest followers of Jesus Christ in all classes of society, but no adequate organization of Christian moral opinion.

There is indeed in some matters of public policy, external or internal, a vigorous "non-conformist conscience," on the opium trade, for instance; there is a vigorous Church conscience, as on other subjects, so especially on the pastoral care for souls and on the relief of the poor: but there is not an adequate organization of Christian moral opinion, or, specially, of Church opinion, on such matters as concern the life of commerce, or the

distribution of wealth, on the principle of justice, or the mutual obligations of classes to one another. I will return to this subject before I conclude.

Let us, then, who wish to be servants of Jesus Christ at whatever cost, because there is nothing else in the world worth being, place ourselves again at the feet of our Master, as He sits conspicuous upon the mount and opens His mouth to teach us the moral law of His kingdom. This can be done only by constant and zealous private meditation on His words. But I would endeavour now to call your attention, *first*, to what seem to be some leading principles in His moral *method*, and, *secondly*, to some leading features in the moral contents of His doctrine.

I.

(*a*) Our Lord demands, not conduct merely, but character. He says, not "Blessed is he who does this or that," but "Blessed is such and such a character." But, on the other hand, the character is described as it finds expression in particular, detailed acts—"turning the left cheek," "giving the cloak also," etc. Many considerations require us to interpret these acts in their principle, not in their details. Thus, for instance, no man has ever struck me on my right cheek, as far as I remember; or taken my coat; or compelled me to go a mile on the public service: but I am not therefore free hitherto from the observance of these precepts. They express principles. But—this is what I want to emphasize—our Lord expresses the principle in the detail, and this means that he requires the Christian character to find expression in like acts, as overt, as definite, as detailed. The vast danger is that we should avail ourselves of a popular misinterpretation of St. Paul's language, and observe these precepts, as we say, "in the spirit,"—which is practically not at all in the actual details of life. Christ bids us do particular, overt, characteristic acts, such as express publicly, though not with publicity as our motive, the inward fact that we are not anxious about our own interests, and that we are trampling on our pride. Therefore we must apply Christ's teaching in detail to the circumstances of our day. This may be said to constitute in great measure the prophetic or preach-

ing office of the Church. But, in fact, the preacher is usually content with generalities. Why ? In part, no doubt, because he lacks courage to say what will be disagreeable to his congregation In part, also, from the more respectable motive—that he is afraid to make ignorant suggestions which will do harm. A curate fresh to the country, distressed with the amount of agricultural work which he found going on on Sunday, once suggested to his flock that they might at least be content with milking their cows *once* on the Sunday. We are afraid to make like mistakes in speaking on the morality of business or of traffic in stock. We want more exact moral knowledge. For the sake of brevity, let me leap to a conclusion which will make my drift apparent. It is that we need consultation among small bodies of representative Christians, who know exactly what life means in schools and colleges, in athletic contests, in business, in workshops, in political life, in law courts, so that a central public conscience of the Church may be deliberately formed as to the sort of typical acts and refusals to act in which the Christian spirit must exhibit itself in the various situations of life.

(*b*) Our Lord lays down laws for a *kingdom*, a society ; but He seeks the establishment of the society through the sanctification of the individual, according to the law " For their sakes I sanctify myself," and in view of the fact that each man, as " fallen," needs individual regeneration and sanctification before he can enter upon his heritage of sonship and brotherhood. Thus, in the Sermon on the Mount, our Lord aims at a social end by laying a severe claim on the individual character. This is, I think, the explanation of the difficulties presented by such a passage as chap. v. 38–42 :—

" Ye have heard that it was said, An eye for an eye, and a tooth for a tooth : but I say unto you, Resist not him that is evil : but whosoever smiteth thee on thy right cheek, turn to him the other also. And if any man would go to law with thee, and take away thy coat, let him have thy cloke also. And whosoever shall compel thee to go one mile, go with him twain. Give to him that asketh thee, and from him that would borrow of thee turn not thou away."

" Surely," people say, " society would be undone if I gave simply

to him that asked me, or rewarded the thief by bestowing on him more than he had taken, like 'le bon évêque, Bienvenu.'" The answer is: Our Lord is here laying His requirement primarily on the individual life considered apart. Elsewhere He provides for the social good, as such, as where He bids the offended brother carry his plaint first to the offender; then, if his conscience is not awakened, to a small group of Christians; at last, to the whole Christian body; and to proceed to an extremity in exacting and expressing moral judgment upon the wrong-doer (St. Matt. xviii. 15–18). But this social judgment can only safely be put into practice by individuals who are themselves rising above the motives of personal pride or self-seeking. Therefore, in any sphere where the individual profit or pride is concerned, or so far as in any transaction those considerations alone are concerned, we are to simply suppress our selfish selves, and "lay ourselves in the dust to them that go over." When we are, in this sense, really meek personally, we can safely execute the Divine wrath socially, that is, we can be worthy, effective members of the kingdom of God.

Thus, throughout the Sermon on the Mount, our Lord is aiming at a social end, mainly through the elimination of selfishness, in its various forms of lust, pride, greed, ambition, censoriousness, out of the individual character.

Thus Christian effort for social improvement must always have its stronghold in the regeneration and sanctification of individual characters. True, there are social works which can be carried out without regard to this. When Lazarus was to be raised from the dead, it was the life-giving word of Christ alone which could impart life; but before it could find access to the tomb the stone had to be taken away: "Take ye away the stone." Which things are an allegory. Christ alone, in direct, quickening grace, can restore the moral health of individuals, but there are preliminary obstacles to its influence to be removed. Bad dwellings, inadequate wages, inadequate education, inability to use leisure—these are stones which lie upon the graves of men spiritually dead. We must take away the stones. Only we shall not exaggerate what merely external reform is likely to accom-

plish. The real obstacle to social advance is selfishness or sin. No external reform will remove this. Nothing but the conversion of souls from self to God. Real social reform, then, will proceed, not by the method of majorities, but from small groups of sanctified men, like the apostles; and that is, in very truth, "the secret of Jesus."

(*c*) Our Lord here is speaking to the Church, not to the State; He is founding a society which is to subsist on moral sanctions, not material. If it is a socialism that is being established, it is a socialism of free choice, not State compulsion. It is true that this Christian society or brotherhood must needs have had an immense influence on State life: it must needs have become the very soul of the States among which it spread—as, in fact, the early Christians boasted that they were the soul of the empire. It must needs have become this, if for no other reason, then because the greater the number of individuals who have trampled on selfishness, and who seek the kingdom of God and His righteousness, the easier becomes the process of legislation. So that, if all citizens were real Christians, legislation would be in abeyance, for heaven would be come—

> "Where love is an unerring light,
> And joy its own security."

But great as must needs have been the influence of Christianity upon the State and the obligation of Christians to the State, it is none the less true that Christ is legislating for a distinct society; not for humanity as it is, but for the humanity of redemption, "the brotherhood," the Church. The reason of this method is sufficiently plain. The fact is that, because humanity is spoiled by sin, it must be given a fresh start from a new centre, even Jesus Christ, who is the second Adam. The Church, where men are in very truth sons and brothers, is to be a sphere hedged in and kept distinct; a sphere wherein is realized what human life is meant to be, and, rightly dealt with, is capable of becoming. This is meant to have a double result. On the one hand, that Christians may learn from "love of the brethren," *i.e.* love in the narrower and select society, the wider love of

man—as St. Peter expresses it (2 Pet. i. 7), "In your love of the brethren supply love;" on the other hand, that the world may find in the Church "a city set on an hill," a "light" to show it what human life may really be, a "salt" to keep it from corruption. That the Church is not the State and the State not the Church, is a truth we cannot realize too clearly. The Church, in fact, can only do its duty to the State, as salt or light, when its distinctiveness is kept in clear recognition. False methods of diffusion—attempts, like our Anglican attempt, to merge the Church in the State—have done incalculable harm. We must recall ourselves to the scriptural principle—which, I may add, is quite consistent with an ecclesiastical establishment, though some particular forms of establishment have somewhat imperilled it—we must emphasize the fundamental distinctiveness of the Church as a general truth.

And we are to apply this principle in single parishes and districts of human life by endeavouring to concentrate Church feeling, and to accentuate its moral meaning and requirements; we are really to "correct its tendency to diffusiveness," if diffusiveness is to be purchased at the cost of intensity. "Ye are the salt of the earth"—a salt which purifies by distinctiveness, which influences by dissimilarity, which keeps up health by emphatic savour. I would strive that the Church in every parish should represent, not such and such a number of adherents, but the morally best, be they many or be they few, in every class; or, to put it more truly, those who are honestly striving after moral excellence, and ready to make sacrifices in its interests. The Church is not to represent public opinion, but to be the home of the best moral conscience of the community.

Upon "State Socialism" the Sermon on the Mount appears to have no direct bearing. It does not suggest that unselfishness is to be secured by any other than methods of moral pressure. But, on the other hand, the State is regarded by St. Paul as entrusted with the administration of Divine justice, and the officers of the imperial administration are regarded by him as bearing a priesthood of Divine service: they are "God's ministers" to "attend continually upon this very thing" (Rom. xiii. 1–7).

II.

If we turn from the moral method of our Lord to the *social principle* which the Sermon on the Mount expresses, we find it to be what may be broadly expressed as *the principle of the sonship and brotherhood of man as based on the Fatherhood of God.*

It is worth while pausing to notice how this great principle has the advantage of inclusiveness. Mr. Leslie Stephen, at the beginning of his *Science of Ethics*, rightly reminds us that a true theory is able to account for the prevalence of partial and even false systems, by bringing to light and giving scope for the element of truth which each contains. This note of a true theory is stamped upon the Christian ethics. The truth of individual hedonism—the truth that each single individual claims by an ineradicable instinct his own self-realization, his own happiness—Christianity recognizes: each man is to "come into possession of his own life;" he is "to see of the travail of his soul, and be satisfied;" he is to "save his life." The truth, again, of the older utilitarianism—that "each man counts one, and nobody more than one"—is at the heart of Christianity. The Christian is "to love his neighbour as himself," because "with God is no respect of persons." The principle, again, of modern evolutionist moralists, the recognition of the social organism, the search for the equilibration of the society and the individual—who can fail to find in this an echo of that language about the "one body" which Christianity at least made its own from the first? Once again, and for the last time, there is nothing upon which idealists spend themselves, so far as positive principles go, nothing in idealism, from the "hymn of Cleanthes" to the *Prolegomena to Ethics*, which Christianity does not fairly and strictly embrace. The worth and claims of the individual, the worth and claims of the society, the supra-social dignity and authority of the moral law,[1]—all this is of the

[1] There is a magnificent expression of this principle in a fragment of Cicero, *De Republica*, which is so little known that I venture to quote it. "There is a true

fabric of Christian ethics. But it has an altogether new pulse of life sent through it when the Fatherhood of God comes into recognition to make practicable a belief in the brotherhood of man, and give meaning to the sense of personal obligation in the relation of sons to a Father. I do not think that we bring out strongly enough the strength of the Christian ethical principle, considered philosophically, from the power which it has to account for more partial theories, and to integrate them in a completer whole which can make a more living appeal to human wills and hearts. But I must not do more than touch upon a subject capable of much expansion.

The fundamental Christian principle involves, among others, three subordinate principles, which shall be noticed here.

(*a*) *The principle of justice*—that each individual man is an end, and not a mere means; or, that each man counts one, and nobody more than one, to state the principle as Kant and Bentham respectively stated it. This principle of justice was admirably interpreted by Mr. Rashdall, in a recent number of this *Review*. It means, not equal position for each—for men are by nature inevitably unequal in capacity, and therefore in position—but equal consideration for each, free opportunity for each to realize his nature, to become what God meant him to be. Our neighbour is what we are, a child of God, and to be loved with the same considerateness as we rightly give to ourselves. "All things therefore whatsoever ye would that men should do unto you, even so do ye also unto them."

law which is right reason, agreeable to nature, diffused among all men, constant, eternal, which calls us to duty by its injunctions, and by its prohibitions deters us from wrong; which upon the good lays neither injunction nor prohibition in vain; while for the bad, neither its injunctions nor its prohibitions avail at all. This law admits neither of addition nor subtraction nor abrogation. The vote of neither senate nor people can discharge us from our obligation to it. We are not to look for some other person to expound or interpret it; nor will there be one law for Rome and another for Athens, nor one at this date and another later on; but one law shall embrace all races over all time, eternal and immortal; and there shall be hereby one common master and commander of all—God, who originated this law, and proposed it and arbitrates concerning it; and if any one obeys it not, he shall play false to himself, and shall do despite to the nature of man, and by this very fact shall pay the greatest penalties, even if he should escape all else that is reckoned punishment."

This principle of justice is one which is not approximately realized in what we call Christian society at present. It is comparatively few men who have a real opportunity of work and remuneration, according to their faculties, of spiritual knowledge, of legitimate education, physical and moral. Yet this every Christian ought to be able to claim, including what, without Christianity, he cannot have—the true knowledge of God and of His provision for man. Till this is secured, in the Christian society in its completeness, and in society as a whole as far as it falls within State functions, the Christian must not rest. But that gives us a great deal to do, through Parliament, through County Councils, as also by more directly ecclesiastical methods.

(*b*) *The principle of trust in God's Fatherhood.* God made man, and desires impartially man's good. "He maketh His sun to rise on the evil and on the good: and sendeth rain on the just and on the unjust." So long as man is doing his duty, God will provide for him, as for the birds of the air and the flowers of the field. Now, the birds and the plants accumulate to-day the resources which are to serve them hereafter. The birds could not hatch their eggs if they had not in due time previously built their nests. The flowers could not bring forth their bloom if they had not been accumulating their resources long before. But all this takes place without anxiety. Granted the fulfilling of function day by day, God will provide. The Christian society, then, recognizing this principle in the conscious life of man, is to know the limits of its responsibility. It did not create the world or found the Church. It cannot alter the predestined goal of the world's movement. But it can facilitate or thwart the purpose of God within its own area. The individuals who compose the Church can "lose their own lives" by refusing to co-operate with God or "save them" by taking part with Him. Here, then, is both the reality of responsibility and its limit. All we can do is joyfully to fulfil our duty and trust the providence of God. This means—only to touch on great subjects—that in commerce we shall resolutely do the will of God and abide by the consequences; in dealing with individuals, we shall not be more merciful than our Master, or attempt, as He did not

attempt, to save men in spite of themselves. We shall aim at appealing to men's wills and strengthening their sense of responsibility. We shall not, once more, be afraid of letting truth loose for fear of its causing havoc. We shall be ready to say in our turn, "I am not come to send peace on earth, but a sword."

The Christian has an immense advantage over other social reformers in the "clear knowledge" of God, as revealed in Jesus Christ. It is sometimes suggested that to "seek the face" of God and exactly study His character is to divert the faculties without profit from the really useful end of human improvement—

> ". . . Presume not God to scan :
> The proper study for mankind is man."

What a shallow philosophy! For why is it that we make, in fact, so little social improvement? Why is it we are so falsely, ignobly tolerant of injustice, and selfishness, and lust in society and within ourselves? Why are efforts for the good of man so seldom persevered in through disappointment or so frequently allowed to degenerate into effortless routine? Why? In a word, because we do not think enough about God. If we constantly and systematically gazed up at Him, and let His inexorable holiness, His truth, His beauty, His love, His power—more than all, the claim of His Fatherhood over us His sons, penetrate our whole beings, we should be more vigorous and persevering in moral effort—ay, and more successful. It was the Apostles, who were so full of the vision of God, who turned the world upside down.

(*c*) *The principle of co-operation, not competition.* In every department of life Christians are to seek the good of all. The Church must carry this principle into all its transactions. It must be, in the fullest sense of the word, spiritually and physically, a profit-sharing company. This means (see 1 Tim. vi. 9) a stern discouragement of the accumulation of wealth, except as held consciously on trust for the public good; a strenuous opposition to the development of luxury, as distinct from knowledge and beauty; a constant practical realization of the temper of contentment with sufficient and wholesome food and lodgment, air,

and clothing, work and leisure, and of the greater blessing of giving as compared to receiving.

The principle of justice or equality of consideration; the principle of God's Fatherhood, deepening and also limiting our responsibilities and our anxieties; the principle of co-operation as contrasted with competition;—these are the main principles, admitting, of course, of indefinite expansion, which I have only just had time to suggest. Upon these principles the Church is really to act; and in order to this end I return to my earlier suggestion, that we need to concentrate Christian influence; that we need to reorganize definite Christian centres of moral opinion, where Christ's principles are simply acted upon, so that a more concrete impression may be presented to men's mind of what the life of a Christian is in the various legitimate callings of society.

The suggestion may be worked out in detail thus:—

1. We need a careful organization of Christian moral opinion—that is, a new Christian casuistry. The new casuistry will be a formulating in detail of Christian moral duty, with a view to seeing, not how little a Christian need do in order to remain in Church communion, but how a Christian ought to act. It will need combined labour of experienced men, who are before all things Christians, in the different walks of life. I think it would be possible, perhaps for the Christian Social Union, to form small circles of representative men in each district, where special occupations prevail, or within the area of special professions, to draw up a statement of what is wrong in current practice, and of the principles on which Christians ought to act. A central body would meanwhile be formulating with adequate knowledge the general maxims of Christian living. I do not see why ten years' work should not give us a new Christian casuistry, that is a general and applied statement of Christian moral principles. To what better work could the Christian Social Union devote itself? When it was done by private means, it might come under more official sanction.

2. So far as we have our Christian code now, or are on our way to get it, we shall league ourselves together to observe it.

I do desire that the Christian Social Union shall become a widely ramifying league, through all classes, of persons anxious before all else to prove to themselves, and so to others, that they really own Jesus Christ as their moral Master. They would, therefore, be bound to protect one another in cases where loyalty to principle means loss of work. And masters and men anxious to serve Jesus Christ would be drawn together. I believe we under-estimate, not over-estimate, the number of such persons.

3. We should do again what was done in the early monastic movement, as it is represented in St. Basil's rule. We should draw together to centres, both in town and country, where men can frankly start afresh and live openly the common life of the first Christians. This can, of course, be most easily done in the case of those who are deliberately celibate. There is much talk of brotherhoods. Forgive the expression of an ideal. I desire to see formed—not in interference with existing methods—a community of celibate men, living simply, without other life-vows than those of their baptism or (if priests) of their priesthood, the life of the first Christians: a life of combined labour, according to different gifts, on a strongly developed background of prayer and meditation, and with real community of goods, which, of course would cease in the case of any persons who might leave the community. The details are not difficult to arrange. I have some experience such as warrants a belief that such an ideal might become real. Such a community, "continuing steadfastly in the apostolic doctrine and fellowship, the breaking of the bread and the prayers, and having all things common,"—such a community would surely be calculated to make men see how holy and happy a thing is Christian life when it can free itself from entanglements and begin again "au pied de la lettre." I say I have some experience warranting a belief in its possibility. A part of this experience lies in an association of unmarried priests, numbering some seventy men, who are bound together, not in community, but in observance of a rule such as naturally might lead on to, and form a background for, the sort of community I have described.

I have been speaking of the unmarried, and I have said that

the literal reproduction of the earliest Christian community-life is easiest in their case. But the same ideal needs application to married life also. I do not see why such an ideal as the Moravians have, in fact, realized, of companies of married people living by a common rule, should not be of immense power among ourselves. I have spoken of what lies within my own experience, but the principle is applicable to laity as to clergy, and to married as to single.

In a word, what I want to suggest is this. The moment has come for the Church, and more particularly for the Church of England, to put social morality, Christian living, in the forefront of its effort. At present, we are making much too much of the development of the outward exhibition of worship. We trust too much to church building and organizing of "plant." We try too much to "get people to come to church." We want, on the other hand, "to seek first the kingdom of God and His righteousness;" to consolidate Christian moral opinion in each district of Church life; to let it be known what Christian living means; to stand by one another in voluntary league to carry it out; to let its charity, its beauty, its attractiveness, its possibility be more apparent; to silence cynicism a little by the drawing together in groups and leagues of the life which already exists scattered and in isolation. I am sure I am not unduly optimistic. I hope I am not wholly unpractical.

CHARLES GORE.

P.S.—In a brief discussion which followed the reading of the above lecture, I was reminded that, besides the metaphor of "salt," our Lord used also the metaphor of "leaven" to describe the relation of the Church to the world; and that I had left out of sight the lessons which this latter metaphor would convey. There is a sense in which the Church is to merge itself in the society around it. To this I should only reply that it is the teaching of the former metaphor that we in England to-day most imperatively need. The latter we are not in so much danger of ignoring.

WHAT IS JUSTICE?

II.—The Theory of Reward.

IN a previous article [1] I attempted an examination of one of the current views of Ideal Justice, the view embodied in the Benthamite dictum, "Everybody to count for one, nobody for more than one." Admitting the *a priori* validity of the axiom, I attempted to show that the only sense in which this equality could rationally be understood, is as an equality of consideration, which would necessarily result—except under conditions which there is no reason for anticipating—in an actual inequality of all concrete advantages which are capable of being "distributed," whether by the State or by private individuals. Seeking to meet the further question, whether capacity for a higher kind of life, or Εὐδαιμονία, did not constitute a ground for greater consideration, I contended that this was certainly the case, though—save in exceptional cases, where the disparity was very great—I did not admit the practical probability of our ever being obliged to treat the higher well-being of the few as of more importance than the lower well-being of the many, since the development of higher potentialities in the few may usually be assumed to be for the ultimate good of the many. Still, to make our formula scientifically accurate, I contended that it required to be put into the amended form, "*Cæteris paribus*, everybody to count for one, nobody for more than one." Throughout the article, however, I neglected all such differences between man and man as are due to diversities of moral worth. Whether such diversities ought to be looked upon as ground for exceptional consideration in the ultimate distribution of the conditions of well-being, is the question which I propose to

[1] "What is Justice?—I. The Theory of Equality," *Economic Review*, Oct., 1891.

discuss in the present paper. That such superiority is a ground for exceptional consideration, is what is asserted by the rival definition of Justice, which assumes the form, "To every man according to his work," or, "To every man according to his merit."

Although, on a superficial view, these two formulæ might be accepted as practically identical, there is really a fundamental difference between them. We may either say that society ought to reward the individual according to the intrinsic or objective value to itself of the work produced by his labour or activity, or we may say that every one should be considered in proportion to the merit which he shows in doing that work. Reward—if that is the term employed—is in the first case understood in an economic, in the second in a moral, sense. A moment's consideration will show that the two interpretations would lead to essentially different results. A picture painted with the toes by a handless man may show much more zeal, industry, perseverance, and the like, as well as more skill and ability, than one painted in the usual way. If the two pictures were of equal artistic worth, the painters ought, according to the first formula, to be rewarded equally; while, according to the second, the toe-painter should receive, it may be, ten or twenty times the reward of the hand-painter. And this is by no means an extreme illustration of the divergent consequences of the two methods: it is hardly possible to exaggerate the difference between the maximum and the minimum of human talent, skill, strength, or other capacity, which determines the quantity and value of the results produced by a given amount of labour. Let us, then, examine the economic interpretation of our thesis first.

The theory that ideal Justice means paying each man in proportion to the value of his work to the community looks plausible only so long as we forget that economic value is essentially relative, and not absolute. What we mean by the value of a given thing is the amount of other things which will actually be given for it under certain social conditions. But when we are assuming that the very constitution of society has been, so to speak, put into the melting-pot,—when we are given *carte-blanche* to reconstruct human society in accordance with ideal

justice, all the usual means of ascertaining value disappear. Our ordinary ideas of value postulate that wealth is divided among a number of individuals who, under whatever restrictions, are free to barter one form of it for another. The value—let us say—of medical attendance depends upon the amount of other good things which people are prepared to give up in exchange for medical attendance, under such conditions as the following: (1) that the numbers of the medical profession depend upon the number of persons who are induced to enter it by the advantages which it holds out, as compared with other professions open to the same class of persons; (2) that the profession requires a certain expenditure upon education; and (3) that this expenditure is only within the reach of a limited number of persons who have—themselves or their parents—accumulated a certain amount of wealth, and become, to a limited extent, capitalists; and so on. I need not take further pains to show that values, no less than prices, are fixed by competition. The very instance which I have chosen is, indeed, one of those in which prices are not *wholly* fixed by competition; and, just at the point at which they cease to be fixed by competition (between different classes of workers, if not between individual workmen), we cease to be able to express the value of the article supplied. It is customary with general practitioners to regulate their fees by the wealth of the patient, of which the probable rental of his house is taken as a rough indication. Now, if patient A pays 10*s.*, patient B pays 7*s.* 6*d.*, and patient C 5*s.*, for a precisely similar visit, which fee represents the true value of the commodity supplied? This is a question which it is obviously impossible to answer. Now, in a community organized throughout upon a non-competitive basis, it would be as impossible to express in general terms the value of medical attendance as compared with other things that have value, as it is to express the true value of those particular visits which are remunerated according to the wealth of the patient. Value is ascertained by competition. It implies that there is a limited supply of the commodities in question, or at least a limited supply of commodities in general, and that if you have one, you can't have another. Now, medical attendance is

precisely a commodity for which there is a by no means unlimited demand. A Socialistic State which should determine the vocation of all its members, and provide their whole education, might very conceivably secure medical attendance free for all its citizens. Now, if everybody could have as much medical attendance as he required without giving up his share in any other commodity, it would be clearly impossible to ascertain the economic value of medical attendance to the community.

It may be said that these considerations would cease to be applicable when the commodity is one for which the demand is practically unlimited. The case would not, indeed, be altered supposing the State undertook to determine how much of each commodity the worker should receive, and exchange were made as criminal as accumulation. But what if the worker were paid by tickets in the stores, and each worker were allowed to take his day's allowance in whatever form he pleased? Two cases are then supposable. The State would have to fix the amount of one commodity which should be exchangeable for another. If it undertook to estimate the value of the article by reference to the amount of skill, knowledge, training, etc., which it took to produce it, we must suppose the problem which we are discussing already solved, since what we are in search of is precisely some common denominator by means of which to compare the value of watch-making and the value of turnip-cultivation. If, on the other hand (to avoid involving ourselves in a logical circle), we assume that the *quality* of the labour is to be neglected, the only criteria by which it is possible to ascertain how much of one commodity ought to be served out as the equivalent of so much of another will be (1) the amount of labour expended on its production, (2) the amount of capital required for its production. Now, capital is resolvable into (1) the results of past labour, (2) land and other natural constituents or products of the soil. On the principle now contemplated, the worker who was allowed to take his pay in beef or in bread would, of course, have to choose between several pounds of bread and one of beef, because it takes more land to grow a pound of ox-flesh than to grow a pound of flour. But

this element in the relative value of different commodities has, of course, nothing to do with the value of the workman's work *qua* work. Hence, the only way in which we can compare the value of two pieces of work (on any hypothesis) is by their respective amounts.

Even then our difficulties are not at an end. What is *amount* of work? Clearly not the time spent on it; for some kinds of work are harder than others. But hardness is not by itself a reason for additional remuneration, except in so far as harder work is more disagreeable than lighter work. Some very light kinds of work may become disagreeable by reason of their extreme monotony; while severe bodily exercise is to some people a positive delight. Hard work may, of course, become disagreeable when pursued for such a length of time as would not be disagreeable in the case of lighter work. But all that the hard-worker can claim is that, in so far as his work is more disagreeable than other work, he shall be compensated for its disagreeableness, either by liberty to work for fewer hours, or by other advantages—such as more food, tickets on stores, etc. It is possible that some system might be devised for comparing the relative disagreeableness of work by ascertaining the amounts of each which the average man would be willing to do for the same remuneration, including under that term all the advantages —whether in leisure or food or other conveniences—by which a community might endeavour to equalize the conditions of workers in different occupations. In that way it might be possible to ascertain the quantity of work which different commodities or services to the community cost. And quantity of labour, in the sense explained, is the only criterion by which we could measure the relative value of different kinds of work.

Although this reasoning seems to me to be unanswerable, it is probable that to some minds it will be found too abstract to be satisfying. "What!" they will exclaim; "do you mean to say that the physician does not perform a greater service to society than the ploughman? Is he not therefore to receive a proportionate reward? Granted that the destruction of competition would prevent your measuring this relative value in terms of

£ *s. d.*, the general sense of the community will surely be equal to the task of appreciating the relative value of different services, and will act according to its innate sense of what is just or appropriate." I answer: Is it so clear that the service of the physician is so much more important than that of the ploughman? At present we measure their relative importance by the comparative difficulty of getting them. But with *carte-blanche* to postulate any form of society that he chooses, the legislator would have no difficulty in making it quite as easy to get medical attendance as to get bread. A sufficient number of people will be educated as physicians to secure that medical attendance will be forthcoming for every man who wants it, and sufficient ploughmen will be provided to supply everybody with as much bread as he can eat. And, when these two conditions are secured, no further production either of bread or of medical attendance will be of the slightest value to the community.[1] If you can have enough of both, it is impossible to say which is the most valuable. If you ask which is the most valuable when you cannot have enough of both, it must be admitted that the ploughman performs the more indispensable service. Some of us would die or suffer without the physician: but we should all die without the ploughman or some equivalent food-producer. If, then, this is the sense which you put upon the principle "To every man according to his work," I must insist that the ploughman shall be paid more than the physician. But, for my own part, I cannot see the justice of the principle thus interpreted. The physician would naturally say to the State, "If I had known that I was to be served like that, I should have wanted to be a ploughman too. And if you, for your greater convenience, insisted that I should be a physician, why should I suffer on that account? You say, 'Bread is more necessary than medical attendance;' but if you did not want to have both, you should not have insisted on my being a physician."

It is evident that the real consequences of following out this maxim, "Every man according to his work," would be very

[1] Foreign trade being, for greater simplicity, ignored. If corn is exported, it is, of course, not serviceable to the community *as bread.*

different from those usually intended by its advocates. When they do not mean that equal work should be paid by equal advantages, they usually assume that what is commonly considered the higher work, that which employs the highest faculties, intellectual work, artistic work, spiritual work, etc., should be remunerated more highly than the lower, more mechanical, more animal work. Now, this contention may be based on one of two grounds: either (1) on the ground that by such work a higher service is performed to the community, or (2) that the higher faculty should receive higher remuneration simply because it is higher. In the first case, I am unable to see the justice of the demand. The man who prints Bibles no doubt renders a higher service to the community than the man who prints "penny dreadfuls." But, assuming that both minister to legitimate social needs, nobody proposes that the former should receive higher remuneration than the latter. So long as the different values spring from some difference in the mere objective results of work, nobody will contend that the more important or "higher" consequences should form a ground for unequal reward of exactly the same work. If you say, "The work itself is different, not merely its external consequences," I cannot see how there can be a difference in kind between one work and another when abstracted both (1) from the results to the community and (2) from the faculties employed on the work. If you mean to insist upon the last, then you adopt the second of our two original alternatives which we have yet to examine.

Is the superior dignity—the moral or æsthetic or intellectual superiority—of the activities employed any ground for additional remuneration? Of course, if intellectual work is considered more disagreeable than unintellectual, then the work ought to receive compensating advantages. But it is not the common opinion that *to intellectual persons* intellectual work is less agreeable than manual labour or mechanical drudgery. Most people would probably say, "*Cæteris paribus*, the intellectual work is infinitely the more pleasant." Even if we suppose the *conditions* of intellectual and manual labour

equalized, there would probably be more persons anxious to undertake intellectual instead of manual work than the community could find adequate employment for. For our present purpose, however, it is enough to negative any claim for additional remuneration on the ground of additional disagreeableness. If, however, the intellectual work is supposed to imply a sort of *merit* on the part of the worker, and to claim remuneration on that score, one must ask, "To what does the intellectual worker owe the opportunity of doing this higher work?" The answer will be, (1) partly to superior education and opportunities, (2) partly, in the case of the higher kinds of intellectual work, to the possession of natural capacities which are confined to a more or less small proportion of the human race. Now, in so far as the position of the brain-worker is due to education, it is clearly not his merit but the organization of society which has put him in this position. Under present conditions, it is in the long run the possession of capital that secures education; and, the capital expended upon education being nearly always accumulated by others than the person whom it benefits, it will hardly be pretended that an accident of this kind can claim remuneration on grounds of abstract justice, however expedient it may be as a means to the general good under certain conditions that such remuneration should be given. And under altered social arrangements the community could, of course, easily secure that the requisite educational advantages should be given to as many persons as its social need might demand. In either case, there is no question of superior merit in the intellectual worker.

But how does the matter stand with regard to those capacities for higher work which are due to Nature? Nature has given to most Englishmen intellectual powers possessed by very few negroes. Among Englishmen she has made, perhaps, some two or three per cent. capable, with the requisite education and opportunity and application, of obtaining a first-class in *litteræ humaniores* at Oxford—to take the distribution of one particular kind of intellectual capacity as a sample of the comparative rarity of high intellectual powers. And when

we come to the highest kind of intellectual capacity, she gives originality to one man in a thousand, genius to half a dozen in a generation, and so on. But should the possession of capacities for doing the precise kind of work which only a certain number of his fellow-countrymen can do—should even the power to do (as, of course, is the case with even the most modest kind of *originality*) the particular thing which no one else living can do, constitute ground for superior remuneration? The question is, I confess, not an easy one. So long as the question is considered merely as one of "reward"—of some additional gratification, having no relation or connection with the exercise of the superior faculty of the superior person—I must say that I cannot see the justice of this extra remuneration. Everybody would admit that the mere rarity of a capacity would be no ground for exceptional treatment; though, of course, the most mechanical and accidental kind of superiority (*e.g.* delicacy of touch enabling a man to test grain better than anybody else) may, under a competitive *régime*, enable a man to appropriate an enormous share of the world's wealth. For instance, let us suppose that a community, for the purpose of some pageant, wishes to employ a man who shall exactly fit a particular medieval suit of armour. The suit is so narrow in proportion to its other dimensions that not one in a thousand modern men, strong enough to bear its weight on horseback, can get into it. Is there any reason, on principles of ideal justice, why the one man who happens to fit the armour to perfection should be paid more than whatever would be considered fair remuneration to an average man for a day's appearance in a new suit of armour specially constructed for himself? Is the case any different because the qualification is not merely rare but intellectually or artistically or even—putting aside the questions of *will*—morally admirable? Should strength of brain entitle a man to a superior share of the good things of this life, any more than strength of arm? If a man has a body of extraordinary size or strength, it is right that I should look upon him—not, indeed, with the feeling of awe or respect which in our present rudimentary stage of civilization is inspired in most of

us by the feeling that under certain circumstances such a man might assault us with impunity, but with the feelings of wonder and interest which are inspired by an elephant or a fossil mammoth. If he has extraordinary skill, and agility of body, it is right that I should look upon him with the half-æsthetic, half-sympathetic feeling that is inspired by the sight of a gazelle or a greyhound. So far it is nature, not man, that I am contemplating. If he has exceptional brain-power, the imagination of a poet or the penetration of a philosopher, it is right that I should treat him with respect, *i.e.* the intellectual respect that his qualities merit. If he has moral qualities above those of common men, then it is right that I should treat him with moral and spiritual respect—that I should listen to and weigh his moral and spiritual counsels with a view to the improvement of my own character and conduct, just as I pay attention to the poet and the philosopher with a view to the culture of my imagination or my intellect. But I see no reason why, on account of either the intellectual or the spiritual superiority, I should offer him a bottle of champagne while for my less gifted guest I only provide small beer. Neither intellectual nor spiritual superiority seems to me ground for assigning to a man a larger share of carnal delights than his neighbour. The opportunity of freely exercising his superior faculty and the power or authority which his particular gift fits him to wield, these strike us as the fitting rewards, and the only fitting rewards, for superiority of this kind. To the man who is capable of a higher kind of happiness than others because of his higher gifts, that higher happiness itself surely is the due reward—not a larger meed than others of those lower kinds of pleasure of which alone his inferiors are capable. If any difference were to be made between the two, it might be plausibly argued that the superior man should receive less of those lower pleasures which he ought better to be able to do without, than the man who is capable of nothing else. To translate this somewhat abstract language into terms of actual social arrangements, justice does not seem to me to require that because Nature has given a man capacities which

fit him for superior usefulness to the community, his work per hour should be paid at a higher rate than the equally exhausting or disagreeable work of common men.[1] When I say "paid at a higher rate," I mean that there is no reason why he should be better fed, clothed, or housed; that he should be indulged in more or more expensive amusements, or allowed longer holidays.

No doubt it is quite true that the man of higher faculty requires for the exercise of those faculties certain external conditions of an exceptional character. And some of these conditions may consist in a larger supply of those conveniences and indulgences which ordinary men are quite capable of appreciating. Nay, the higher faculty may sometimes be a source, not of greater happiness, but of greater misery, unless these conditions are forthcoming. The musical genius, for instance, might be driven distracted by being compelled to live amid the noise and bustle, the barrel-organs and the hurdy-gurdies, which would be Paradise to an East-end factory-girl. And of intellectual workers in general it may be said that they do require for the favourable exercise of their faculties a larger share of certain comforts and conveniences than would be likely to fall to the lot of the average workmen under a *régime* of absolute equality. I cannot see, indeed, that the luxurious table of a successful barrister is any more conducive to his activity than the humbler fare of the solicitor's managing clerk, who does quite as large an allowance of brain-work; but it is probably true that the brain-worker wants more and better food than is absolutely necessary for the less exhausting kinds of mechanical work. Still, if everybody had his fill of plain and wholesome diet, I don't know that the brain-worker could claim anything more. Nor is there any reason in the nature of things—existing social conventionalities apart—why the brain-worker should be clad in broad-cloth, and the hard-worker in corduroy. But it is otherwise when we come to less material conveniences. It is probably desirable

[1] The fatigue of work demands remuneration only in so far as (1) it makes it disagreeable, which it does not always do, or (2) makes the worker capable of doing less of it. If, on account of the value of his work, it is socially desirable that he should do a longer day's work than others, then no doubt the absence of recreation should be made up to him in other ways.

that the higher-class brain-worker should be set free from petty worries and anxieties. Under existing conditions, we should say that he ought to be allowed servants to do for him things which other people have to do for themselves; under any arrangements he would want a larger amount of *service.* It is desirable that he should have more house-room than the most ideal Socialism would probably assign to ordinary hand-workers. The doctor's carriage is none the less a personal luxury because it is also necessary to his business. The author will want a study, the artist a studio, the student books and room to stow them. If his wife is to be capable of sharing his life, and not to be a mere housekeeper, she must also be secured more than the normal exemption from household drudgery by nurses and other servants. And if family life is to be maintained, it is practically inevitable that some of these advantages should be extended to his children, who may nevertheless be very far from inheriting his mental superiority. Then, too, it is probable that if the lives of highly cultivated people are to be made as agreeable to them as *their* lives are to people of less cultivation, they will want amusements or interests that will impose upon the community a heavier tax than the amusements of the less cultivated. We can hardly conceive of the most absolutely socialistic State allowing very extensive opportunities of foreign travel to every one; and yet it is clearly desirable that they should be within the reach of some. Moreover, for the exercise of certain mental gifts, considerable leisure and some liberty of action may be essential—including the liberty at times to be unproductive. Literary production has, indeed, at times, been stimulated by the most abject bodily want; but it is certain that the higher kinds of intellectual labour could never be made into a daily task, to be exacted under penalty of imprisonment or short commons by a socialistic taskmaster. In ways like these it is desirable that the more gifted man—or even the more educated man when once the community has allowed him a higher education than the common—should have exceptional treatment. But it is rather because these things are necessary or desirable for the full development and enjoyment of his faculty, than as

"reward" for being differently constituted to ordinary men, that he may rightfully claim from the community the use—in certain directions—of more wealth than would fall to his lot under a perfectly equal distribution.

The result of this examination of the dictum, "To every man according to his work," has, so far, been this—that we can accept it only in the sense, "Higher capacity ought to be provided with all the conditions necessary to its exercise." And this was, it will be remembered, the one exception which our examination—in a previous article—of the maxim, "Everybody to count for one, and nobody for more than one," compelled us to adopt before we could admit its universal applicability in any sense other than the purely abstract one, "*Cæteris paribus*, everybody to count for one."

So far, however, we have confined our attention to those differences in capacity for work which are due solely to differences of natural endowment. But now, what of the differences which are due to Will? What of the strictly moral differences? Ought the good to be rewarded? What, in ultimate analysis, are we to make of the popular notion of *Merit*? Here it is necessary to put aside two philosophical problems with which a discussion of this question is usually involved.

1. I put aside the question of Free-will. The facts of heredity, the phenomena of mental pathology, and the constancy of statistics make it plain that free-will is on any view not the *only* cause of some men's goodness and other men's badness. And it is obviously impossible to discriminate between the parts which undetermined choice may play in the formation of actual good volitions, and the factors in their causation which are due to other influences. Hence it is clear that, if we are in any sense to reward men for their goodness, we must look only to the actual quality of their volitions. We must reward them for being good without raising the question how they came to be so.

2. The question suggests the theory of Punishment. If punishment is retrospective and retributive, then it will naturally

follow that reward must also rest upon an *a priori* basis, and not be a means to anything beyond itself. I have elsewhere discussed this question, and rejected the retributive view of punishment, though admitting that much important ethical truth is held in solution by it.[1] It does not, however, follow that, because we refuse to say that the bad man ought to suffer pain as an end-in-itself, independently of the moral effect to be produced upon him and others, we must, on that account, decline to say that happiness ought to be distributed in proportion to goodness. It is one thing to cause a man pain, another to refuse to make him happier than somebody else. When it is a question of inflicting pain, the *onus probandi,* so to speak, would seem to rest with the inflicter; when it is a question of distributing happiness, it may be considered to lie with the claimants. If I hang, or assault, or imprison a man, he naturally demands my authority for doing so; but it might easily be maintained that I do no wrong to A by giving a certain lot of happiness to B. The question, is therefore, not settled by the view we take of the theory of punishment. We must still ask, "Is it reasonable that an individual or a community, having the conditions of happiness at his or its disposal, should distribute them to all equally, or should distribute them in proportion to the moral worth of the individuals concerned?" The obvious answer is, that we shall of course distribute in accordance with merit because we want to make as many people good as possible, and that experience shows that the best way of effecting that object is to contrive that, so far as possible, goodness shall lead to happiness, and badness to misery.[2] The question, whether, apart from such tendency, justice would require an unequal distribution of external goods, is so abstract a speculation that I may be excused from answering it. It is a question which can never affect the

[1] *International Journal of Ethics*, Oct., 1891.

[2] If we hold that Virtue necessarily or intrinsically leads to Happiness (given the favourable external conditions, or an unimpeded exercise, of virtuous activities), the question ceases to have any meaning except in relation to God, who may no doubt be conceived of as creating human nature in such a way as to make goodness the true happiness of the creature; but, in stating such a position, it would be necessary to guard against the inference that virtue is made good only by the will of God.

solution of any practical problem—even the speculative solution of any imaginable practical problem.

It should be observed, indeed, that the grounds on which we find the good entitled to reward will by themselves set a limit to the amount of this reward, in so far as it consists in the means of gratifying the lower or more animal desires. It will be generally admitted that the possession, or at least the consumption, of much wealth in such ways is not favourable to—may even be inconsistent with—the highest moral well-being. And when the existing inequalities are justified as a means to the encouragement of "merit," it is often forgotten that the influence of excessive wealth upon the moral well-being of its possessors is quite as injurious as its influence in decreasing the the moral and physical well-being of the poor. If the question be raised, whether the system of *rewarding* virtue is not itself injurious to virtue, I should be quite prepared to admit that the reward of virtue might conceivably be carried to this point. And this is one of the difficulties that I should feel in admitting, even as an abstract and theoretical proposition, that the good man ought, as a matter of *a priori* justice, to be rewarded *in proportion to* his merit. Since that would mean, if we use words in their ordinary sense, that every increase of virtue should, on principles of ideal justice, bring with it a larger house, more servants, better dinners, more expensive pleasures, more splendid equipages, and more costly horseflesh.

But how far is this principle, that the good ought to be rewarded, available as a canon of distributive justice in actual life? For practical purposes not at all. The only kind of goodness which society at large has it in its power to reward is clearly such contribution to social good as admits of being expressed in terms of £ *s. d.* The only kind of reward, in short, of which it is possible to take practical account is the economic reward for work done. For how is it possible to discriminate between the portion of the work produced which is due to superior good-will, to industry, perseverance, integrity, and that which is due to superior capacity? It is obvious that one workman can do in an hour twice as much work as another

working equally hard. But how can we test the intensity of a man's application? It is practically impossible to reward industry without rewarding cleverness also. And yet we have seen that ideal justice is not satisfied by rewarding a man according to the actual quantity of work done. The conclusion is, that, if there is to be any diversity of reward at all, it cannot be based upon the principle of ideal justice, but must be regulated by social expediency. If anybody thinks that men in general could be induced to put forth their maximum activity in the service of the community without the prospect of reward, for themselves and those nearly connected with them, he is a person with whom it is useless to argue. Rewards there must be; and yet rewards cannot be governed by considerations of ideal justice.

The general result of our discussion I apprehend to be to substitute in practice the inquiry, what is the most generally expedient method of distribution that is at present possible, for the attempt to realize some ideally just method of distribution. By *expedient*, I mean conducive to the highest well-being of all. By *generally* expedient, I mean that which will realize the greatest amount of good for each. There is, therefore, no surrender of the position that everybody is to count for one; but it is the right of every one to consideration in the estimate of what is for the general advantage, not the right to an actually equal share of any actual thing, which will be implied in "counting for one." To put the matter in a less abstract and technical way, we shall aim at the most equal distribution of good that is consistent with there being as much good as possible to distribute. Even so, the principle of equality must, if necessary, be qualified by the principle of the superior importance of the higher sorts of well-being which are only possible for the few.

To apply these abstract considerations to practice—to ask to what practical conclusions they point in the region of individual conduct, or of social effort, or of political action—forms no part of my present undertaking. From the impossibility of actually realizing ideal justice, I have endeavoured to suggest the conclusion that social justice must be always looked upon as an

ideal—a far-off ideal, to which only more or less distant approaches are possible even in the region of self-consistent Utopias. This would, perhaps, be admitted by many zealous advocates of equality. But I hope I have further indicated the necessity of not making justice, even as an ideal, our primary object, but rather general well-being; and I trust I have shown that such a course is imperatively required by ideal justice itself, since the only equality that is capable of immediate realization is equality of consideration, and to produce equality of distribution at the cost of there being very little good to distribute would be a violation of that one essential equality. If in the course of my argument I have incidentally suggested that some of the arguments by which Socialism is sometimes advocated will not stand examination, I trust it has become no less evident that any attempt to justify the *status quo* as an even approximate realization of justice is a still more desperate undertaking. This may be for the moment—with the exception of this or that immediately possible reform—a less violation of justice than any other *possible* system, and so long the maintenance of the existing order of society *minus* the possible reforms will be demanded by justice itself; justice can never require us to make matters worse. But none the less, the discrepancy between the present distribution of wealth and any that could *a priori* be justified in the interests of general well-being, calls upon us to begin in earnest the struggle for a more socially beneficial system, though we shall be prepared to find that even in the remote future no system of distribution that is at once possible and socially expedient, will realize the dream of any other equality than equality of consideration.

The ideal justice which I have attempted to adumbrate is not capable of immediate political realization. It would open up a large question were I to ask how far it is capable of immediate application in the domain of private ethics—I mean, how far it is possible for each individual to act upon principles of ideal justice, in so far as it rests with himself to determine how much of that portion of the world's wealth over which he has legal control he shall allocate to himself, and how much to

the service of other individuals or of the community. I cannot attempt now to discuss that question adequately; but I believe that the principal use of raising such speculative questions as to the nature of ideal justice is to suggest the necessity for bringing principle to bear upon the question of personal expenditure. It is obvious that it is not possible for most people in an un-ideal state to act in accordance with what would be the ideal in an ideal state of things. For each man to allot to himself no more of the good things of this life than would be his under a *régime* of ideal justice, would demand a heroism which it would not demand under such a *régime*, and at times would be injurious to others, and even to society at large. In some directions it would be inexpedient for *any one;* in many directions it would be inexpedient for *every one.* Some measure of conformity to the customs of one's class or position, in such matters as eating and drinking, dress, entertainment, amusement, and the like, is demanded under penalty of hardship and isolation such as would not be endured by any one, were such matters arranged for us on principles of ideal justice in a socialistic State. Still, it is a clear duty on the part of every one who is convinced that the share of good things enjoyed by the few is disproportionate and intrinsically unjust, to seek to limit his own personal expenditure in such matters wherever he can do so without a less efficient discharge of his own social function. It would be a step to the creation of a new morality upon such subjects, if we were to cultivate the habit of compelling ourselves to give some kind of reason for our indulgence in any kind of expenditure over and above what would be allotted to us upon the principle "Every one to count for one, nobody for more than one," whether the justification be found in our particular social function, in the conditions necessary for the exercise of our own particular capacities, natural or acquired, or only in the necessities and conventionalities of the existing social code, which sometimes render unequal private appropriation the smaller of two evils.

H. Rashdall.

PENSIONS FOR THE AGED.[1]

THIS question, which is now occupying so large a share of public attention, ought to be approached from the Poor Law aspect, and regarded as a branch of Poor Law Reform. The great Act of 1834 was one of the most important and beneficial Acts which ever passed our Legislature. But it was not perfect; and nearly sixty years experience in its administration have made it clear that, while its principles are sound as regards the treatment of the able-bodied, the rigid application of the workhouse test fails to satisfy the public conscience as being a fulfilment of its duty towards children, sick poor, and the aged. Considerable modifications have been made with regard to the treatment of children and the sick poor. With these, however, we are not now concerned.

The majority of the Boards of Guardians refuse to impose the workhouse test in the case of respectable old people who are past work. It seems to them unduly harsh to pass sentence of imprisonment in the workhouse as the penalty of destitution in old age. Therefore the general practice is, where an allowance of 2*s.* 6*d.* a week will enable old persons to get along somehow, to allow them a pension to that amount. It is a very inadequate allowance, and many who receive it drag on a miserable existence of semi-starvation. Those who cannot exist on this, or fail to get it supplemented from other sources, have to accept the House, with its dull, dreary monotony and prison-like routine; and there they sit day after day, waiting for the release of death.

By law, no assistance can be given except in the case of the absolutely destitute. The consequence of this is to discourage

[1] Read before the Political Economy Circle of the National Liberal Club, Feb. 24, 1892.

the wage-earners from endeavouring to make any provision whatever for old age. Supposing a labourer has, by rigid economy and self-denial, put by out of his wages £20 or £30, and then becomes incapacitated for work by the failure of power consequent on old age, he is really little better off than if he had saved nothing. In order to make his savings last, he ekes out a bare subsistence in scarcely greater comfort than a pauper, and then, after two or three years, his little store exhausted, he is compelled to have recourse to the Guardians at last. "The game is not worth the candle." It would have been wiser policy to have spent all he earned, and run the risk of old age; for, if the worst came to the worst, the Guardians would do as well for him as he could do for himself.

If we take 5*s.* a week as the minimum on which an aged person can exist in any comfort, it would require that a man should save from £110 to £125 [1] in order to obtain an annuity of 5*s.* a week at sixty-five years of age. This requires a greater degree of thrift than we can expect from the average wage-earner. Unable to make adequate provision, he makes none, and society offers him the workhouse. "When we remember the conditions under which most of the labouring classes have to earn their daily bread, and make due allowance for the uncertainties attending their regular employment, the unexpected claims that fall upon them, and the necessary absence of margin, I think that we should view more indulgently than we do their frequent and almost unavoidable failure to set aside, as an irrevocable provision, a fixed portion of their wages, for what far too many consider the remote possibility of an unprotected old age. The claims of the day often, and properly, take precedence." [2]

Mr. C. Booth calculates that 38·4 per cent. of a total population over sixty-five years of age receive relief every year, and that eight-ninths of this pauperism is directly due to failing powers consequent on old age. He further states that it would seem that

[1] £110 would purchase such annuity in a good insurance society; £125 13*s.* 4*d.* is the cost in the Post Office.

[2] Ralph Price Hardy on "Old Age Pensioning," page 15.

not less than 40 per cent., and probably more, have had public relief, in one shape or another, during the last years of their life. Some have pointed out that these figures are unduly swollen by the large amount of medical relief orders in the Unions whose statistics Mr. Booth examined. On the other hand, Mr. Burt's return of pauperism, which he very kindly moved for in the House of Commons at my request, and which is the basis of Mr. Booth's calculation, gives a total much below the average. It was made on August 1st, when pauperism is at its lowest, and at a period of exceptionally good trade, when any one who could work at all could find employment. Twist the figures as we may, I am afraid we shall not materially reduce the total; therefore, till we obtain a more reliable statistical basis, we have to face the fact that two-fifths of our population and one-half of the wage-earners who reach sixty-five are driven to have recourse to provision from the Poor Law. Of the remainder, a large proportion are on the verge of pauperism, suffering great privation, or are, under dread of dire poverty, continuing labour when it is a weariness of the flesh, and they ought to rest. "Behind pauperism lies the mass of poverty." Any way we have to recognize the fact that we now make public provision more or less complete for something like half the wage-earners of this country over sixty-five years of age. We do so in a form which discourages thrift and demoralizes the recipients. As the Rev. S. A. Barnett wrote the other day: "Honest poverty has to apply for what must be grudgingly given; it has to expose its condition to the view of suspicion; and, having once lost its shame, ceases to care. Dishonest poverty, learning that something is to be got by begging, takes at once to imposition."

The nation, once thoroughly alive to the magnitude of old age poverty, and the unsatisfactory character of the present method of relieving it, will insist on reform; and the question is as to whether that reform shall be in the direction of modifying the present Poor Law, or adopting an entirely different principle which shall avoid the demoralization of Poor Relief, given as a favour, and secure a more humane and comfortable provision.

Would it not be possible to substitute insurance for the Poor

Law as a means of securing provision for old age? That is the question before the country at present. Instead of criticizing the schemes which have been proposed, I will rather endeavour to state the conditions necessary to the success of any scheme.

As the great object of any pension scheme is to make it possible for the wage-earners of this country to secure themselves from liability to destitution in their old age, it is essential that the insurance premium should be within their power to pay, and that the premiums should be paid in a manner most convenient to them. Any one conversant with the habits of the wage-earners knows that they live by the week and pay by the week. The lower down the scale of life one goes, the more absolute is this rule. Those who receive under 25*s.* a week find a great difficulty in accumulating any considerable sum. There are so many claims on their weekly income that it is very difficult to keep a few spare shillings intact. The money burns a hole in the pocket. The poor find it easier to pay 25*s.* for a coat and waistcoat in weekly instalments of 1*s.*, than save 20*s.* and put down the sovereign for the garments. The poorer the district, the more frequent the notices "Weekly Payments Taken Here." That notice must be a prominent feature of any really national pension scheme. The Prudential has succeeded in insuring for funeral expenses 9,000,000 of our population, by adapting its arrangements to the method of weekly payments and by abjuring fractions. It deals in pennyworths. This may seem a small point, but attention paid to these small points of custom, convenience, or prejudice, make all the difference between success and failure.

Mr. Chamberlain's proposals, however admirable in theory, would, I believe, prove futile in practice, because they ignore these very points. The well-paid artisan might be prepared to save up £5 to secure the addition of £15, which would be placed to his credit and allowed to accumulate till he reached sixty-five; but I am confident the great mass of the wage-earners would not do so, and the poorest, who need help in old age most, would not take advantage of the scheme at all. Many might try; but, when they had saved a pound or two, the immediate advantage

of a new suit of clothes, a watch, or a new bed, would outweigh the prospective advantage of 5s. a week forty years hence—especially when even that small pension will not be enjoyed unless they make a further payment of £1 a year. The present value of £5 to a poor man at twenty-five years of age is greater than the value of the prospective annuity and the other benefits which Mr. Chamberlain proposes to give.

We cannot get up much enthusiasm for any pension scheme which will only benefit those now under twenty-five years of age, and the benefits of which will only begin to be felt forty years hence. Therefore, there must be a graduated scale of weekly payments, so that those long past twenty-five may be able to insure. As the cost of insurance for those over fifty years of age would be beyond the means of most of the wage-earners, I should, for my part, like to see, concurrently with the adoption of any pension scheme, a recognized relaxation of the workhouse test in the case of the aged who are neither drunken nor dirty.

No national scheme of pensions can be successful which does not make adequate provision for failure to continue payment of the weekly premium, consequent on sickness or loss of employment. A few figures will help those who are not familiar with the working of Friendly Societies to recognize the magnitude of this difficulty. The Manchester Unity of Oddfellows loses 20,000 members a year through failure to keep up their contributions. Mr. Neison, actuary of the Foresters, says: "Not allowing for lapses, out of 100,000 members joining at eighteen, there should be 71,353 remaining in the Order at the age of fifty; whereas, making allowances for lapses, there will only be 15,325 left at the latter age in the Order. In other words, while 28,647 had been paid for at death, 56,028 had left voluntarily without payment." [1]

This difficulty may, it seems to me, be met by allowing a man to pay up his arrears at any time. If, when he reaches the

[1] *Mutual Thrift*, by the Rev. J. Frome Wilkinson, p. 266. It is true the lapses are chiefly among young members. Those who have paid several years are keenly alive to the value of membership.

pension age of sixty-five, he is still in arrears, say two or more years, allowing him the option of having his pension reduced proportionately, or postponing the receipt of the pension till he reaches sixty-six, or whatever age will be the actuarial equivalent of his arrears, will prevent any one ever falling entirely out of benefit. In proportion to what he has paid he will receive.

It is generally admitted that, in order to bring the cost of a pension within the reach of wage-earners, taxation must bear part of the cost. Mr. Booth would throw the whole burden on taxation, and grant every one over sixty-five years of age, from peer to peasant, 5*s.* a week. The proposal is logical, economical, and admirable in simplicity. We should all pay our premiums through the tax collector, and all in due time have our pensions. In its first inception it would be rather unfair, for the first recipients of pensions would not have paid any premium; but that would right itself in a generation. I am afraid, however, no Chancellor of the Exchequer, with the recollection of the receptions accorded to Mr. Lowe's Match Tax and the more recent Wheel and Van Tax, would ever have the courage to face the dislocation of industry and opposition of interested parties which the raising of something like £20,000,000 would involve; for if Scotland and Ireland be included, that represents about the amount required.

If the nation, convinced of the advantages of providing for the aged in this way, is prepared to bear the taxation necessary, then Mr. Booth's suggestion is the solution which is most complete, and avoids all difficulties of management, actuarial calculations with possible errors, and costly system of collection. But the probability of the nation accepting the burden of taxation necessary is so remote that we shall have to begin with a less ambitious and more tentative proposal. For my part, there seems to be much to be said in favour of half the cost being thrown on taxation. Two-fifths of the whole population, and one-half of the wage-earners, over sixty-five, do depend more or less for provision in old age on the rates.

The rates levied for the maintenance of the poor are a charge on property for the benefit of the poor, and may be regarded as

a national provision for the poor. They are, in fact, the property of the poor. To place the burden of maintenance of the aged on the poor themselves, as insurance without a State subsidy would do, or to throw it on general taxation, would be unfair, and relieve property, at the expense of the community. We may, therefore, reckon among the requisites of any national scheme that the main portion of the cost should be met by a charge on property, either by means of local rates, or by a special rate uniform throughout the country. Such rate ought to be levied concurrently with the payments of contributors. To postpone the contribution from taxation till the pensions fell due would be an unfair transference of the burden to those who come after us. As Mr. T. E. Young has said, "Any scheme must properly entail a burden—not of sympathy and advice only, but of adequate financial cost—upon the generation by which it is originated" (*Pensions and Pauperism*, p. 105). Mr. Chamberlain's proposal that the Government should put down £15 to meet the £5 paid by the insurer at twenty-five, and allow both to accumulate at compound interest, is sound in principle. In a system of weekly payments by the insured, provision should be made for a contribution from taxation equal in amount to the premiums paid by the insurer during each year.

A national pension scheme ought to be an independent fund. Mr. Chamberlain has suggested, apparently with a desire of winning the favour of the leaders of the Friendly Societies, that those who wish to do so should be allowed to pay their premiums to their Friendly Society. The leaders of these Societies are rightly very jealous of any interference with their liberty of action. Mr. Chamberlain's proposal would compel Government to assume the control of Friendly Society finance. Suppose John Smith pays his contribution for a pension into the local branch of the Oddfellows, and, when he arrives at sixty years of age, the local lodge, owing to financial difficulties, breaks up; he has almost complied with the requirements which entitle him to a pension of 5*s.* a week by paying for thirty or forty years. He is five years short and his premiums have disappeared. If he receive from taxation 2*s.* 6*d.* a week,

that is an inadequate allowance. If he be granted 5*s.*, then the contribution from taxation is in his case doubled. Government would be compelled to ensure the financial stability of every local lodge; for, however imposing the United Order may be, the position of John Smith depends, not on the position of the Order, but on the position of his local lodge. The sop intended to win the favour of Friendly Societies will, I believe, arouse their most strenuous opposition. Their support is more likely to be won by pointing out that pensions for old age do not trench on the real work of the Friendly Societies, and that the greatest help to their own financial stability would be an independent scheme of provision for old age. Mr. Reuben Watson, the most experienced Friendly Society Actuary in the kingdom, says: "It seems undeniable that, by providing for sickness benefits to cease at the age of sixty-five years, and the substitution of annuity benefits for the remainder of life, Friendly Societies would place themselves in better positions, not only for understanding their responsibilities, but also for fulfilling them to the end. Until it is arranged that annuity benefits shall take the place of sickness benefits at advanced ages, there can be no real confidence in the permanence of any Friendly Society."

Some have said wage-earners will never acquiesce in a tontine system in which only the survivors receive a benefit. This is hardly a fair description. All who contribute benefit, even those who die before the pension age; because the insurance gives a sense of security. To be able to look forward to old age, if it should come, without a dread, is worth a great deal. A man insured against sickness does not complain if he never needs the funds of his club; he has the comfort of knowing that if sickness should befall him he has his club to fall back upon. That knowledge is worth all he pays. The probability of living to old age, *i.e.* sixty-five, is considerable. As I have shown in figures quoted by Mr. Chamberlain, the chances are as nearly as possible even. Friendly Society tables give 49·19 per cent. of those alive at twenty-one as reaching sixty-five.

To return the premiums of those who die before sixty-five

would enormously enhance the cost of insurance for pensions. But it is worth considering whether a partial return of premiums would not prove a great inducement to insurance. The wage-earners desire, above all things, decent burial, and will make great sacrifices to secure it. If, in the event of death before entering upon a pension, £5 or £10 were paid to the representatives of the insured, the scheme would probably be more popular, though, of course, the premiums would have to be increased.

A scheme of national pensions will prove as complete a failure as Post Office insurance unless some method be devised for the collection of the premiums. The Post Office offers much better terms than the Prudential,[1] yet it does practically no business, while the Prudential has 9,000,000 policies. The secret of this success over and above the adaptation of its tables to the comprehension and ways of the wage-earners, lies in the collection of the premiums. If a man will call every week for the penny or twopence due, it is easy to make the payment. If, in order to pay the premium, a person has to go to a Post Office, a hundred yards away, there is a tendency to put off that visit till the morrow; and, as the proverb has it, "to-morrow never comes," so payments are allowed to fall into arrear till the accumulated amount becomes difficult to pay, and the insurance is allowed to lapse.

I was connected with one of the first attempts at organizing unskilled labourers in a Union, and the subscription was fixed at a penny a week. Hundreds joined; but, after the first enthusiasm wore off, they fell into arrears. It did not seem worth while to undertake the labour of going to the meeting to pay a penny, so the visit was put off till the next week, arrears accumulated and men dropped out of membership. When the subscription was doubled, payments were more regular.

The appointment of an army of Government collectors of premiums would, by its cost, weigh down any pension scheme. The Prudential expend from 37 to 38 per cent. of their premiums —

[1] *E.g.*, One Penny will in the Post Office secure an insurance of £10 at death, but only £7 16*s.* in the Prudential.

on collection and management. Some Assurance Companies spend more than half they receive, and yet do business. This is the measure of what wage-earners will pay for collection. If it is absolutely necessary to collect the premiums, and the cost of employing collectors is prohibitive, we must seek some other solution of the difficulty.

It seems to me we must look to the employers. Collection through the employers is the most certain, involves the least labour, and the minimum of expense. When the deduction is made at their own request, workmen do not object. On Tyneside, in nearly every firm, the workmen have agreed to contribute weekly ½*d.* per man, for those receiving less than 20*s.* a week, and 1*d.* per man when wages exceed 20*s.* These sums are deducted by the employers and paid over to the treasurer of the Infirmary. The labour involved is very slight, and there are no arrears.

It may be said that collection through the employer is only possible when you have a compulsory scheme such as you have in Germany; but the Select Committee of the House of Commons have decided "that any scheme, to have a chance of success at the present time, must be voluntary and not compulsory." Nevertheless, I do not despair of collection through the employer. Any one who has carefully noted industrial affairs will have observed that, among employers, there is a very strong desire to secure pensions for their employees, so strong that not unfrequently they propose to establish a pension fund in connection with their works, and to contribute a substantial subsidy. Their motives are, as is so often the case with all human action, mixed: partly disinterested—they do desire to know that the welfare of their workmen is secured in old age, they do not like to dismiss old workmen to absolute destitution; partly interested—because in the general speeding up of industry it would be an advantage if old hands who are getting past work would retire, and they would rather pay a certain annual contribution than meet the uncertain demands for assistance to old employees.

—Workmen view these pension schemes with suspicion; they

are afraid lest fear of forfeiting the pension may make the older men unwilling to press for advances of wage or resist reductions. This objection does not hold when the pension is national, because dismissal from the firm would not involve any forfeiture of pension. If Government were to offer a subsidy from taxation to those who insured for a certain minimum sum, I believe nearly all the great firms and many of the smaller would call their employees together and say, "We desire that our workpeople should not be destitute in their old age, and we think you would be wise to take advantage of the terms of the national pension scheme. If you are willing, we will assist you by deducting the premiums from wages and paying them over to the Fund." Some would go further and offer to pay a portion of the premiums. If my estimate of the desire of employers for the well-being of their workpeople in old age, and the desire of the wage-earners for the security which provision for old age gives, be correct, I believe that, within a very few years after the adoption of a scheme of pensions, on a national basis, by weekly payments, the practice of deducting the premiums by the employers would become as general as the deduction of the weekly subscription for the local medical charities now is. It is worth while considering whether, in order to stimulate employers, a small percentage should not be allowed to those who collect the premiums of their employees. Such commission would compensate for the extra clerical labour involved, which, as each man's account would have to be kept separately, would be greater than in the case of deductions for the medical charities.

It is truly said that a pension scheme which reached only the better paid artisans and the lower middle class would be practically a failure. The people we desire most to reach are the poorest, and they are so casually employed, and so poor, that they cannot consider anything beyond bare subsistence. Therefore nothing but compulsion can reach them. The argument that we cannot do all we desire is not an argument against doing all that we can. Elementary education is an illustration of the steps by which we reached a national and compulsory system.

At first, purely voluntary, a few here and there received instruction by the help of societies or their own determined efforts—just as now a few by the sick pay of Friendly Societies, or their own savings, are provided for in old age. Then the Government subsidized voluntary effort. This stimulus caused the benefits of education to be extended to upwards of one-half the population. Then Parliament, in 1870, affirmed the principle that every child ought to be educated, and therefore every child must. Even then some years elapsed before that "must" was carried into effect; but as the machinery was perfected, class after class was brought under the operation of the Act, till now few escape. So with pensions; a subsidy from taxation will be taken advantage of by a large proportion of the population, and when the majority have voluntarily insured, the nation will say, "Everybody ought to, and therefore everybody must;" and ultimately we may go so far as to pass a Free Insurance Act, and, instead of collecting a portion of the cost from the individual, pay the whole cost by taxation, and so by graduated steps we should arrived at the proposal associated with the name of Mr. Charles Booth.

Not being an actuary, I have not ventured to make a calculation; but I asked Mr. Reuben Watson, who drew up the Superannuation Table of the Manchester Unity of Oddfellows, to do so for me. This is the table he kindly sent me:—

ANNUITY OF £13 PER ANNUM, COMMENCING AT AGE 65.
(PREMIUM PAYABLE WEEKLY.)

Age.	Present Value or Single Premium.	Monthly Contribution, Ceasing at Age 65.	Weekly.	Monthly Contribution, Ceasing at 65. The Premiums paid to be returned in case of death before attaining Age 65.	Age.
	Premiums non-returnable.				
	£ s. d.	s. d.	d.	s. d.	
20 ...	14 16 10	... 1 0½	... 3	1 5	... 20
25 ...	17 15 5	... 1 4	... 4	1 10	... 25
28 ...	...	... ...	... 5		
30 ...	21 7 10	... 1 9	... 5	2 4	... 30
32 ...	...	... ...	... 6		
35 ...	25 17 2	... 2 3½	... 7	3 1	... 35
40 ...	31 10 10	... 3 2	... 10	4 3	... 40

These values are exclusive of management expenses, which must be separately provided for.

The weekly payments I have inserted, and have abjured fractions. These tables are calculated at three per cent. While Government can borrow at less than that, it lends at three per cent. and upwards, as members of local bodies know; and, in considering the investment of funds, calculations should be based on the rate of interest on investment of funds. Something would have to be added for cost of management, and an extra penny per week if £10 is returnable in case of death before sixty-five. On the supposition of half the cost of pensions being borne by taxation, men under thirty, at a cost of something like twopence or threepence per week, could secure £10 at death if they die before sixty-five, and if they survive a pension of 5*s.* a week.

If one million insured, and we take the average cost to taxation as threepence per week for each insurer, the annual contribution would amount to £650,000. I only lay these figures before you as a rough approximation, so that we may have some idea of the probable cost. I do not think they will be found far from the mark. I notice that Mr. T. E. Young, Vice-President of the Institute of Actuaries, calculates the single premium at twenty-five as £16 13*s.* 6*d.*—22*s.* less than Mr. R. Watson, notwithstanding that he includes 2*s.* 6*d.* per annum for cost of management up to the period of pension, and 1*s.* per annum after.

Let me return to the point from which I started. All proposals for national pensions arise out of the desire for more humane treatment of the aged poor. Whatever the ultimate issue of the discussion may be, this one result is sure: the nation, aroused to the consideration of the treatment of the aged, will not acquiesce in the continuance of the system which condemns a large proportion of our countrymen to end a life of toil in the dreary monotony of a workhouse prison or in penury and hardship.

W. Moore Ede.

THE ECONOMICAL ADMINISTRATION OF LAW.

EDUCATION, sanitation, recreation, all these appear capable of exciting the moral enthusiasm of the social reformer, but legal administration seems to occupy as yet but a small place in the ideal of a perfected State. It required the incubus of an Eldon to secure any popular demand for the reform of Chancery procedure; and though the industrious zeal of Lord Selborne and Lord Cairns laid broad foundations for modern legal administration, they have found no genuine successors to carry out any well-conceived and courageous extensions of legal reform on the lines then laid down. Yet justice is as vital an element in a democratic State as force is under a despotism. To most of us nowadays force is but an instrument of legal justice, the keenness of which depends exactly upon the ratio which the law holds to the moral sense of the community. Law and order in a democratic State is maintained directly by force only so long as that force is the recognized instrument of that moral sense of the community, of which sense justice is the abstract title.

It is not, however, with Law in the abstract but with the administration of accepted laws with which we have here to deal. The subject for our consideration is the social economy of legal administration in the modern State. The alpha and omega of the administration of justice is, as Magna Carta puts it, that "to no one shall justice be denied." To attain this object there are two requisites—that legal justice should be within the means of all, and within the reach of all. Should "free justice," then, be substituted for "fee'd justice"? Not necessarily. In the first place, absolutely "free justice" can only be obtained from an unpaid magistracy and personal advocacy. An unpaid magistracy is only possible under a paternal form of government.

Of this the County Bench is a lingering relic. Its extension can scarcely be advocated. On the contrary, the administration of justice should be in the hands of public servants of the State, open to public criticism, liable to be called upon to perform continuously and regularly a public duty, subject in their conduct to public control. But a public servant is worthy of his hire, and must be paid for his services; the administrator of judicial duties, too, should of all public servants be paid well. Few people are aware what an intellectual strain it must be to sit in court for even a six-hours day's work with continuous attention, and with the sense of responsibility for a variety of wholly alien interests. The work of a judge has almost all to be done in public, and for the greater part upon his sole responsibility. Decisions on the admission of evidence, or on the proper conduct of the case, may have to be given on the spur of the moment. The materials for a summing-up must be kept in mental view, while the proceedings in progress have at the same time to be carefully followed. Facility comes, of course, by use and training, but that training has in itself been an arduous and expensive process. Lastly, the judicial office must be free from all temptation of corruption, or flattery, or dependence upon fear and favour. To secure such constituents necessitates generous expenditure. A free and sound judicial bench requires high remuneration.

Granted, then, that the judicial bench in all its branches must be paid, and be paid well, the question arises, On what principle should it be paid, and by what method, from an economical point of view, can its payment best be procured? That the administration of justice should be treated as a source of revenue is a very old idea. The very delegation to judges of the royal prerogative of doing justice was partly due to the idea that the Crown offered justice as a royal ware for any one who liked to pay for it, and the gradual supersession of local courts by the royal courts marks the success of this source of Crown revenue. But now the opposite idea in reality prevails. The administration of justice is a duty imposed on the State, the fulfilment of which the humblest citizen has a right to demand.

Nor, as a fact, does the State derive any revenue now from the administration of justice. So far as can be seen from revenue returns of 1889–1890 the receipts from judicature fees in England (mainly paid under the form of stamps which, in effect, are receipts for fees) amounted to £353,238, while the expenditure headed, "Supreme Court of Judicature (England)" amounted to £387,440,[1] exclusive of £38,385 for the Judicial Bench (embracing the County Court judges and Metropolitan Police magistrates, as well as the judges from the House of Lords downwards), and exclusive of £109,825 for criminal prosecutions and £69,056 for law charges.

An alternative economy would be to make the administration of justice self-supporting, and regulate fees solely in accordance with that view. On this subject Adam Smith has made some ingenious suggestions.[2] Adverting to the point above mentioned, he says, "This scheme of making the administration of justice subservient to the purposes of revenue could scarcely fail to be productive of several very great abuses." And he goes on to suggest that—

"the whole expense of justice might easily be defrayed by the fees of court. . . . It is difficult to regulate the fees of court effectually where a person so powerful as the sovereign is to share in them, and to derive any considerable part of his revenue from them. It is very easy where the judge is the principal person who can reap any benefit from them. . . . Where the fees of court are precisely regulated and ascertained, where they are paid all at once, at a certain period of every process, into the hands of a cashier or receiver, to be by him distributed in certain known proportions among the different judges *after the process is decided, and not till it is decided*, there seems to be no more danger of corruption than where such fees are prohibited altogether. Those fees, without occasioning any considerable increase in the expenses of a law-suit, might be rendered fully sufficient for defraying the whole expense of justice. By not being paid to the judges till the process was determined, there might be some incitement to the diligence of the court in examining and deciding it. In courts which consisted of a considerable number of judges, by proportioning the share of each

[1] 1890-1891: "For such of the salaries and expenses of the Supreme Court of Judicature as are not charged on the Consolidated Fund, £386,681."

[2] *The Wealth of Nations*, bk. v., ch. i., pt. ii., "Of the Expense of Justice."

judge to the number of hours and days which he had employed in examining the process, either in the court or in a committee by order of the court, those fees might give some encouragement to the diligence of each particular judge. Public services are never better performed than when the reward only comes in consequence of their being performed, and is proportioned to the diligence employed in performing them."

The proposal is ingenious, but the payment of officials by fees has been generally succeeded by payment per fixed salary as more suitable and more dignified. Moreover, this last method is based upon the idea that those only who go to law should pay for it. However pleasant this maxim may sound to those who have never been under the necessity of prosecuting a burglar or of suing "a friend" for debt, it is entirely fallacious in many respects. Firstly, the existence of an administration for justice is in itself a matter of vital public interest. The community could not coalesce or progress without it. Secondly, the administration of the criminal law in its entirety is of equal public concern to every member of the community. Neither a prosecution nor a defence should be dependent upon the means of the prosecutor or accused. The free flow of justice in the administration of the criminal law should be absolutely unimpeded. This is already largely recognized. The large sums above mentioned in the National Budget as "for criminal prosecutions and law charges" demonstrate the subventions granted to counties for local prosecutions, and the charges directly on the Treasury for what are commonly denominated "public prosecutions," *i.e.* undertaken by the Solicitor for the Treasury directly as public prosecutor, or through his agents, specifically nominated solicitors in each county or borough. The various county or borough treasuries allow the taxed expenses of witnesses (including, of course, the prosecutor), of counsel, and of solicitor, for prosecutions; and the expenses of such witnesses for the defence as have been bound over by the magistrate to appear at the trial. Here, then, we have a recognition in a great many cases of the principle of "free justice" in the administration of the criminal law. The only questions open are (1) whether all prosecutions ought not to be treated as public duties, the

whole taxed costs of which every prosecutor should be at liberty to recover from the State; and (2) whether the same facility for obtaining the use of all the legal machinery of justice should not be open to an accused. On the first point, it may be observed that the concentration of all prosecutions in the hands of the Treasury or county authorities is not advisable, privately conducted prosecutions being often more intelligently and more economically conducted than official prosecutions. But that fact is equally an argument in favour of the prosecutors in such cases being entitled to recover their taxed costs from the State, whether from imperial or local sources. On the other point, it may be observed that the accused has now every right of hearing, and his interests are, as a rule, efficiently guarded by the presiding judge, who also has discretion to appoint him counsel gratuitously. Nevertheless, it would seem that justice could be more adequately and certainly secured if every accused person had the option of securing the services of a solicitor and counsel, or one or the other only, at the public expense.

"One of the greatest advantages, in my apprehension of a trial," said Mr. Justice Bayley, in the trial of Hunt and others in 1820, "is that it should be conducted in such a way as, if possible, to give even the defendants themselves satisfaction as to the mode in which it has been conducted, that even if there shall be ultimately a verdict of 'guilty' against them, they may have an opportunity of saying their trial has been impartial and fair. That is one of the means by which persons are reconciled to the constitution of their country, and to those privations to which every man in a state of society must submit."

It is in the administration of justice in civil suits that the question of "free justice" assumes a more complex aspect. All the circumstances of an English law-suit are coloured with its original character of a private quarrel, developed nowadays into what is practically an individual prize-fight in an open court for the delectation of a public audience. The very case-law of England seems to imply that individual experiences rather than general principles are the only guide. A case must be "on all fours" with the existing dispute to be of any value as a precedent. A series of appeals provides a premium on the

longest private purse. Nor has the increasing appetite of reformed Parliaments for legislative enactments to meet all grievances afforded much enlightenment to the private citizen anxious to keep within the law, but out of the law courts. Acts of Parliament are seldom handy, and hardly ever clearly comprehensible. A modern Consolidation Act falls far short of a code of law. Amending Acts seldom mend and never end. Until a committee of the whole House consents to delegate its functions to a judicial department for drafting and codifying the legislation proposed to be enacted, the laws of England must remain a complex science, unconstruable by "the vulgar," who can only trust to scientific exposition by legal experts tempered by haphazard popular hand-books.

Leaving this last question for political reformers let us ask ourselves if, after all, civil suits are not of some public concern? The very fact of the recognized principle of the publicity of courts, of free access, of the almost unrestrained publicity of reporting legal proceedings, all point to the idea of some real public interest being involved. The exclusive maintenance of trial by jury in certain cases is further evidence to the same effect. Almost every decision or verdict affects a wider circle of the community than those actually involved in the litigation. The issue of the most ordinary running-down case may regulate the traffic and insure the future safety of hundreds of the community. Decisions, again, in commercial and mercantile suits affect whole classes of traders, who will regulate their course of business in accordance with its effect. Then, again, special statutes invite whole classes to appeal to the courts of law for their effect, and directly impose upon the courts the protection of their special interests. Mercantile Shipping Acts, Employers' Liability Acts, Custody of Children Acts, Industrial Dwellings Acts, Factory Acts, and indeed all Acts for the protection of Public Health, repeatedly encourage summary appeals to the courts for their enforcement.

The principle on which all such legislation is based is that civil courts of all kinds should be of universal public utility and do not exist merely for the advantage of those who choose or can afford to go to law. If so, every facility ought to be given

for individual access to legal remedies. Since, however, absolute freedom of access might encourage a litigious minority to occupy the time of the law courts at the general expense of the more passive majority of the community, the expenses of civil proceedings can be properly partly met out of the payment of individual fees; but these should be fixed at such a low amount as practically to make the courts available for any member of the community, together with such special arrangements as now exist for suing in *forma pauperis*. This idea has been partially recognized in its establishment of County Courts, where a lower scale of fees prevails. Nevertheless, there lurks a fallacy in this arrangement, which is to a large extent acted upon—the fallacy of "cheap justice." This fallacy involves the notion that by a lower fee the suitor can only obtain a modicum of justice, or at least justice of an inferior kind. The one scale of fee ought to secure to every citizen the highest justice available, and, if judicial institutions so require it, the possibility of appeal to the highest court in the land. The lesser pay of a County Court judge can only be justified on the ground that, owing to the limited jurisdiction entrusted to him, his work is easier than that of judges of the High Court; but in its result the justice administered by him for a debt of £5 should be equal to that of a Lord Chancellor. Whether, now that such large jurisdiction has been entrusted to County Courts, the status of the judges should not be raised, is a subject for legal reformers.[1] The collection of small debts might, as has been suggested, be left to the registrars, and the time of the judges kept free from such mere drudgery. Again, the number of appeals in the High Court might well be diminished. The present system encourages the same fallacy that the justice procurable at Nisi Prius, *i.e.* Courts of First Instance, is of an inferior or less sure nature than that obtainable in the Courts of Appeal. That was not the old idea prevalent in Courts of Banc. There the same judge who had tried the case at Nisi Prius alone might sit on the appeal in Banc, because appeals were intended solely to imply a review by several judicial

[1] "County Court System," by C. Cautterles, *Law Quarterly*, Oct., 1891; and "The Circuit System," *Law Times*, Aug. 22, 1891.

intellects of a similar calibre of the law laid down by any colleague singly. It was not an appeal from an "inferior judge" to his superiors in law or intellect, but a review by the many assumedly co-equal intellects of the decision of one. This opens up a review of the present system of different Courts of Appeal, which must be left for lawyers to consider. What is insisted upon is the rooting up of the idea of any sort of essential inferiority or degrees of superiority in the administration of justice by different courts through the establishment of the principle of one tariff of moderate fees, which should insure to every litigant the whole course of legal administration considered compatible with the fullest justice. That appeals should be the monopoly of the well-to-do is contrary to all ideas of a democratic administration of the law.

There remains for consideration the question of the employment of solicitors and counsel. The steps from personal advocacy to advocacy through these media have been gradually necessitated by the wants and business of the community. The attempt to maintain personal advocacy in County Courts is equally in process of being infringed upon. Solicitors, having established themselves as traders in law, have now become also quasi-public servants, controlled by the courts as their officers, liable to be disqualified from acting by the rules of the courts, and with their fees fixed or regulated by orders of court made under the authority of the Treasury and the Lord Chancellor. Barristers, on the other hand, still maintain their hypothetical character of gratuitous advocates;[1] but, though neither in theory nor practice traders or public servants, they have obtained the monopoly of the right of audience in the High Court unless a litigant chooses to go through the ordeal of appearing in person, an attempt by no means to be commended. The remuneration of barristers in civil suits has been left to the application of the widest principle of free trade, tempered only by etiquette and by the standard fixed as allowable on taxation of costs between party and party to a suit. The successful barrister is allowed to enjoy the most individual-

[1] See Sergeant Pulling's *Order of the Coif*, p. 2. "To give counsel to the rich *par son donant* and gratis to the poor suitor, and to aid when called upon the judicial business of the King's Courts."

istic ideas of remuneration, since he is at liberty to ask exactly what he (or his clerk) thinks that he can get. · He is in the happy position of being left to estimate his own value. Is there no way of securing to suitors the advantages of counsel and solicitor, now that these have respectively come to be considered, and rightly so by the necessity of distributive labour in a mixed and populous community, necessary adjuncts in legal administration?

The above system of free trade, based on trade-unionism, may be all very well for the individually successful barrister, but does it quite serve the public so advantageously? Would not a wider distribution of work at less cost meet more effectually public requirements and be in the end more beneficial for the legal profession? The allowance granted already, as has been shown, in criminal prosecutions might, on the same principle, be granted from the central or local revenue at a fixed rate for the services of counsel and solicitor in the conduct of the case in court. It would not cover many preliminary expenses of advice and consultation or the getting up the case. Nor would it satisfy the barrister who had come to be much in demand. But a suitor might at least be assured that for that sum he could insure the services of a solicitor and counsel for the actual conduct of the case at the cost of the State. If the proper conduct of the case required greater expenditure, that would be at the suitor's expense, to be recovered, if successful, from his opponent; but up to a certain point, every suitor would be insured what is considered the full complement of legal machinery. On the other hand, both barrister and solicitor would be sure of their fee, a security which is far more often lacking than is generally supposed: nor would it in any way interfere with the individual reward of successful merit, which would still be rewarded precisely in proportion as the litigant valued it. It would be the litigant's own choice if he chose to incur greater expense than that which the State was willing to incur for him.

The only remaining subject for consideration is the second requisite mentioned for the properly economical administration of the law—namely, that courts of law should be within the reach of all. It is really a corollary of the first requisite, that they should be within the means of all, and requires but brief

elucidation. Centralization of judicial control being sufficiently secured, delegation to local courts should follow. The summary jurisdiction granted to Police Courts has done much to diminish the strain and delay caused by the accumulation of criminal cases for Quarter Sessions or Assizes. It is Quarter Sessions and Assizes which need reform and extension. In populous counties and boroughs monthly sessions under a salaried recorder, assisted by the unpaid magistrates of the county or borough, would seem to meet popular needs; while County Courts, once freed from the drudgery of mere small-debt collecting, could be held more frequently and continuously than is now possible. Moreover, by giving to County Court judges higher pay and a more recognized status, suitors would be more willing to trust to their decisions without the assistance or protection of a jury, a body which should be as exceptional in County Courts as in Chancery Courts. With the establishment of more continuous local centres of legal administration the localization and consequent better distribution of barristers would ensue, encouraged as they would be by the security of their fees from the public revenue. Lastly, the advantage, both to the public and to the High Court judges themselves, of fairly frequent Assizes should not be lost sight of. The recurring presence of the judges in all quarters of the country is distinctly beneficial to the administration of justice itself, and to the securing of public confidence in that administration. That the system of Assizes needs adapting to modern wants cannot be denied, but a vigorous and practical Chancellor, or a body of earnest legal reformers in Parliament, might soon secure such reforms as are needed. These require discussion by professional experts tempered by local advice. But one guiding principle is clear—namely, that the courts should be held within local reach of all, and for that very reason be more within the means of all. It must be remembered that London is not England, and that the delay and expense of concentrating legal administration in the metropolis does not tend to put law within the means and within the reach of a great and populous community.

S. L. Holland.

SOME RESULTS OF THE GREAT DOCK STRIKE.

MANY prophecies, both good and evil, were made as to the results which would certainly follow the dock strike of 1889. I propose to begin by recapitulating some of them.

It was said that trade would be to a very large extent driven away from the Port of London, owing to the uncertainty and confusion which would follow on the strained relations between the employers and their men. It was confidently asserted, over and over again, that the increase in wages and the other expenditure which the new arrangements would involve, must cause the ruin of the already impoverished companies. On the other hand, it was said that a new era for the dock labourer had begun, his labour was to be organized, he would lift up his head and become a respectable citizen; there would be more certainty of employment, and, though there might be a large number of the weakest who would go to the wall, yet that was to be accepted as the lesser of the great evils, and one to be cheerfully faced in view of the enormous benefit which would accrue to those who would in future be regularly employed, and under better conditions than heretofore. It was also prophesied that the Union would be firmly established, and, for the first time in history, the complaints of the dockers would receive a fair hearing from those in authority, the employers would take greater pains to inquire into the conditions of work, and the men would have more effective means of making their own terms with their masters.

How far have these prophecies been fulfilled? To begin with, trade has certainly not, to any appreciable extent, been driven from the Port of London. It is said that goods are not brought to London for transhipment so much as formerly, but this had

begun long before the labour disturbances, and cannot be traced to them. It is due to the continually improving means of communication, by which other nations and other ports are able to dispense with the assistance which London alone at one time offered. The Port of London is depending more and more on the business of the area immediately around it. Yet this need not cause alarm, for the business is increasing. The chairman of the London and St. Katharine's Docks says that, whereas formerly the docks had to seek for business, now business seeks the docks.[1] Neither have the companies suffered financially. Mr. Hubbard, in answer to a question asked him at his examination by the Labour Commission, stated that, in regard to the renewal of loans, his company had experienced no difficulty which could be directly attributable to the strike. The increased rate of wages and the expenditure in improvements, such as the £20,000 spent in 1890 on the wool premises in the London Dock with the object of reducing overtime, have been balanced by raising rates and by greater economy in all departments.

And now as to the improved position of the dock labourer consequent on the strike. This is a large question, and must be subdivided into several smaller ones.

Firstly, has the labour been organized in such a way that the men get more regular work than formerly, even though, at the same time, by this very fact many have been displaced, and their position been made worse than before?

In Mr. Booth's book, *Life and Labour of the People* (vol. i.), published before the strike, we find the labourers divided thus: (1) Permanent men, (2) "Preference" men (called also "Royals" and "Ticket-men"), (3) Irregularly employed. The new system which has gradually obtained since the strike, and which was more or less completely fixed by November, 1890, divides the men thus: (1) Permanent labourers (such are "leading shipworkers," "crane-drivers," "shedmen," etc.). (2) Class A (men employed by the week, with 24*s.* in summer and 21*s.* in winter guaranteed each week. These are called, and practically are

[1] Since the above was written, the other companies have had their annual meetings, all witnessing to a similar improvement going on.

permanent). (3) Class B (they correspond to the old "preference" men, who get the work after the regular weekly men are employed). (4) Class C (the remainder, who vary from those who get two-thirds employment to those who get very little indeed). A comparison between the figures in Mr. Booth's book and those given by Mr. Hubbard before the Labour Commission seems to show a distinct increase in the number of unemployed. Mr. Booth gives an average of 3511 irregularly employed in the East and West India Docks and the London and St. Katharine's Docks. Mr. Hubbard, on the other hand, gives 2800 as the maximum in the five docks under the control of the Joint Committee, of which he is the chairman, reminding Lord Derby, at the same time, that, owing to the taking over by the shipowners of the discharge of ships in the Victoria and Albert Docks, there are not so many labourers employed by the Joint Committee as formerly.

Again, if we take the numbers of "preference" men, formerly called "royals," or "ticket-men"—men, that is, who get the preference of employment—but now called "Class B," we find Mr. Booth's figures, for the two docks, 1150; and Mr. Hubbard's, for the five docks, only 1750.

If, however, we compare Mr. Hubbard's figures given in July, 1891, before the Labour Commission with a later estimate made by Mr. Booth before the Commission in January of this year, we find a much more satisfactory coincidence. By adding together Mr. Hubbard's numbers of permanent labourers (quite regularly employed) with Class A (practically regularly employed) and Class B (almost regularly employed), we get the figure 4487. Mr. Booth, after making a careful independent inquiry, gives 4000 as the number of those who "might have permanent employment at the Joint Docks during the year." The extra 487 given by Mr. Hubbard would most probably be those of Class B, whose employment is not to be depended on. And, curiously enough, Mr. Booth gives almost exactly that figure, viz. 500, as the number over and above the 4000 who "might almost obtain permanent employment." Four thousand five hundred may, then, be taken as about representing the number of more or less

regularly employed at the five Joint Committee Docks. Now, Mr. Booth, before the strike, gave 2117 as the number of permanent and preference labourers in the London, India, and Milwall Docks. If we add 1000 to represent Tilbury and Victoria and Albert Docks (the numbers employed at the latter by the Committee being much less than formerly), there still appears a considerable increase in the number of regularly employed, so that it may fairly be concluded that the desire of the directors "to reduce the number of casual labourers, and to get as much permanent work as possible" is being to a great extent realized.

It is interesting, however, to note the views taken by the men themselves of this arrangement in classes. There is a widespread opinion that it leaves the men very much where they were before the strike. To call the "preference men" "Class B" does not, they say, make their position any better. They also complain that, when the new system was adopted, a number of strangers were taken on and some old and tried hands displaced. It is true that new men were taken on in November, 1890, but this was chiefly owing to the refusal of the Union to allow their men to accept permanency in Class A. There was also a certain displacement of the older men by a rule which the companies made to restrict new permanent labourers to those under thirty years—a rule, however, which was not very strictly enforced.

It is certainly true that, at that time, there was not much difficulty in the way of a strange hand getting taken on if well recommended. It is also complained that there was a good deal of favouritism at that time, but this is "not proven."

But it is in the matter of Class C that the men feel most that the so-called improvement in their position is a delusion. To dignify them by the name of a class is, they say, to give people the impression that there is more regularity of employment than before, while really their chance of work is as bad as ever. Moreover, there is still a vast mass who hang on at the tail of Class C. One of the leading officials of the Union declared to me, a short time ago, that there were more unemployed than

ever there were before the strike. Personally, however, judging from what I see and hear, I should say that their position is certainly not much worse than it was.

It was, however, always expected by all parties that a reorganization of dock labour would result in an increase in the number of unemployed. Even in the heat of strike orations, in 1889, Mr. John Burns had the courage to prophesy it. We must, therefore, not be surprised at the issue. What we are rather concerned with now is the question whether the best is being done for the employed. We are not asking, "Can unemployment be abolished?" but, "Can employment be made more regular?"

Now, we must give the Joint Committee credit for honesty in their present endeavour to regulate employment, even if their conduct is due to outside pressure or inside economy, rather than to philanthropic motives. They would probably not now deserve the rebuke which a learned professor of Political Economy levelled at them a year and a half ago, when he said—

> "When brought to the bar of history the Dock Companies will be condemned for not having taken more pains to arrange their labour so as not to make work attractive to the worthless and unattractive to the worthy."

We must also fully realize the enormous difficulty of making the work regular, owing to the fluctuations due to seasonal and other causes; fluctuations, however, which are much less than they used to be. At the same time, it is being asked whether even more might not be done than is being done. Could not, for instance, men have more permanent employment if they were moved from one dock, where, for the time being, there was no work, to another dock where there was work? It is said that the men themselves are unwilling to leave the dock or department to which they are accustomed. They know their work, they are familiar with the ways of the wharfinger, and are loth to make even a temporary change. It would be difficult for men used to one particular kind of work to be suddenly put to another. Some dock work is much easier than other. Men used to light work or simple unloading of ships, could not

necessarily manage some of the heavy and even skilled labour which is often required.

The companies, however, express themselves quite willing to try some such plan, and probably an attempt will be made.

It is also suggested that overtime might be reduced, to the advantage of all parties. In the East India Dock the day-work is over at 4.30 p.m. Time is then allowed for tea, and overtime begins at 6 p.m. The men have supper later on, and then work until 6 a.m. Overtime is paid at eightpence an hour since the strike. The companies do not wish for overtime, because it is expensive. It is bad, too, for the men, and must in time injure their health. But they say it is forced upon them by the necessity of getting ships away in time, and the anxiety for speedy delivery of goods. They lay the blame, in fact, upon the merchants and customers. It happens in this kind of way. A wool merchant will, perhaps, send an order in at 3.30 p.m. (just half an hour before the ordinary day-work ought to close) to have several hundred bales of wool removed from the warehouse and put into vans, so as to be ready for delivery in the City early next day, for the sales. Or it may be that several van-loads of goods enter the dock late in the afternoon, and have to be unloaded at once for export. Overtime thus becomes necessary. But can the evils of it be minimized? Could the companies insist on such orders as the above coming in earlier in the day? Could they not, as Professor Marshall suggests, raise the charges so much as to make it almost impossible for shipowners to incur the expense of overtime work? The companies reply to this, that the charges are already as high as they dare make them, and that the shipowners would not require the work to be done thus unless it were absolutely necessary.

There is also an idea that overtime might be abolished, and more regular work could be given to a larger number if they worked in "shifts," a certain number working by day, and their places being taken by a fresh lot of men for the night; no man being allowed to work more than a certain number of hours. The men should be all about equally efficient; they might all be taken out of one class, *e.g.* Class B, or the higher numbers of

Class C. Mr. Hubbard, on being asked his opinion of this, seemed to think such a plan would encourage the old loafing casual to hang about the docks in the hope of getting the extra work. But this would not be the case if there were enough of the regular dock labourers to fill up all relays, which there ought to be, considering how many even of Class B clamour for more regular employment. The chief objection, however, comes from the men, who say that, when they are in the middle of a job and know their work, it is better to finish it outright.

We will now consider some of the special matters which have come up for settlement between the companies and their men since the strike. It will be remembered that one of the great points gained by the strike of 1889 was the abolition of the old contract system, which, it was said, had led to many abuses, such as bribery and "treating," "driving," "sweating," systematic sub-letting of the work, and so on. The men also had a great complaint about the unequal division of "plus;" there was said to be much unfairness in this, the larger portion being frequently given to those who did least of the work. As a result of the strike, this old system was abolished, and a system of piece-work established. The control of the work was put under a leading man appointed by the company, instead of the old contractors. The men employed on the job were allowed to appoint a representative to look after their interests, such as the price to be paid for the work, the equal division of the "plus," and so on. The "leading men" appointed by the company were to be paid by the company, and to have one share of the "plus" in addition to their wages. The "plus" is now supposed to be equally divided, each man receiving one share at the end of a week or the end of a job. As time went on, it was found that the representative system was a failure. The men were directly encouraged to work badly, and serious troubles were perpetually arising. It is agreed on all hands that there was much bad work and idleness.[1]

Owing to the evil results of the representative system, it was

[1] See *Dockers' Record*, Oct., 1890, for an article by Hon. Sydney Holland, well orth reading.

abolished in November, 1890. Since then there has been some renewed discontent as to the division of "plus." Mr. J. Atkins, an official of the Union, in his evidence before the Commission, in June, 1891, complains of unfairness and carelessness in the apportionment of the "plus;" and although he frankly admits that the old representatives worked wrongly, he asks for, and says that the Union has asked for, the appointment of a new kind of representative, some one who should have power to inspect the books and ascertain the facts on the basis of which the division of the "plus" is calculated. The companies refuse to allow this, because they are afraid of a return of the old evils; but if other old evils are returning, and if there is any doubt about the fairness of the present system, it seems a pity that the request of the men is not considered.

The co-operative system, which was offered to the men at the same time that the representatives were abolished, has been the subject of a good deal of controversy. It is, briefly, a system by which the warehousekeeper, or wharfinger, as representing the company, contracts with the men, either with two or three of them or with a "boss" chosen by themselves. They agree upon a price for doing a certain work, to do it at so much a ton, and to share out the balance at the end. This system was approved of by the Union leaders, but was unpopular at first, especially at the India Docks. It is now in vogue chiefly at the Albert and Victoria Docks, and is increasing at Tilbury and the other docks. The objection to it came from a suspicion that it was a revival of the old contract system under another form, the wharfinger standing in the shoes of the old contractor, and the men being more or less at his mercy.

Turning now to the question of wages, we find that the Mansion House Agreement has been mainly adhered to. It was confidently asserted that the increased wages bill must ruin the dock companies. Nothing of the kind has happened. The chairman presiding at the new-year's meeting of the London and St. Katharine's Dock Company informed the shareholders that the wages bill had been reduced by £76,000, greatly owing, it is true, to the taking over of a very large

share of the work by the shipowners, but also owing "to the better organization of labour and the better relations between the labourers and those directly employing them." It is interesting to remember that Cardinal Manning was more far-sighted than any of his coadjutors at the time of the strike, in maintaining that the ruin foretold by the dock companies would not result if the sixpence an hour were conceded. But this reduction in the wages bill has not been at the expense of what we may call the fairly regular dock labourer. His earnings have increased. Before the strike, it is said that the average earnings were 9*s.*, some put it as low as 7*s.* a week. Now the average earnings are said to be, by pessimists, 13*s.*, and, by optimists, 17*s.* a week. This average of 17*s.* a week was arrived at by Mr. Hubbard by taking every tenth man in Class B and Class C, and striking an average for the whole year. The 13*s.* a week is the average given by Mr. McCarthy, not upon any plan, but rather from observation. A friend of mine, who describes himself as "a rather regularly employed and fortunate member of Class C," has counted up his actual earnings for the year 1891, and finds that he has had on an average 19*s.* 10*d.* a week. This would seem to show that Mr. Hubbard's figures are nearer the mark than Mr. McCarthy's, as giving the average earnings of a dock labourer in unpermanent work. Of course, no account is taken of the vast mass of hangers-on at the tail of Class C, who still remain the despair of everybody.

Summing up, then, the answer to the question, "Has labour been organized better since the strike?" we may answer: Yes, the companies are making a real effort in the right direction, and seem willing to try any sensible experiment to improve the organization still further. Whether anything more can be done under present conditions is a matter for grave doubt; but still graver is the doubt whether the more drastic proposals of the extreme party are within the range of practical politics. Could a compulsory forty-eight hours' week be enforced by law? Should the docks be municipalized?

Dock labour does not seem to be the industry in connection with which either of these experiments should be tried yet.

There are other industries in connection with which they might be tried with far less chance of failure. The necessary fluctuations and uncertainty of dock labour which have already been referred to, and which are so well known, would always make a compulsory forty-eight hours' week difficult. And as to municipalization, attractive as it sounds, it would seem that the County Council must show first of all what it can do with the trams, and perhaps with the water and the gas, before it can expect the public to believe that it would be able to manage so intricate an affair as the dock business.[1] Beside this, there are the huge interests of the wharves and other riverside businesses which would have to be settled with. To hear some people talk, one would think that the docks could be easily municipalized to-morrow, and all go on quite happily ever after. One leading Unionist absolutely declined, the other day, to discuss the question of the relief of the unemployed with a party of clergy and Poor Law Guardians because, he said, that until the docks were municipalized it was no good to attempt to tackle the problem.

A statement of the case for dock municipalization is to be found in Mr. Sidney Webb's *London Programme,* and there is also Mr. Mann's scheme which is now before the Labour Commission. Mr. Mann's scheme is interesting but not new, almost exactly the same thing having been laid before Parliament, and rejected, fifty years ago. He proposes to convert the whole of the Thames between Limehouse and Blackwall, viz. all that part of the river which flows round the Isle of Dogs, into one huge dock, where all or nearly all the business of the Port of London should be carried on. His idea is that this would cheapen and quicken all the business which now has to be carried on with excessive labour, some cargoes having to go to five or six wharves before they are finally disposed of. All the warehouses would be concentrated along the shore of the Thames between the extremities of the new dock. Something like nine miles of warehouses could, he says, be obtained if his plan were

[1] It is interesting to note that the municipalization of the docks has been relegated to the back place on the "London Programme" of the County Council.

carried out. The objections which have already been made to this scheme are that the depth of the river is not great enough for the dock, that it would cost far more than the four millions which he suggests, and that the tremendous mass of business to be concentrated on the island would make matters worse than they are now ; for though, no doubt, there is waste of time and money under the present system, yet, on the other hand, there is a certain relief of pressure owing to the number of wharves over which the work is now spread. It is too early, at present, to form a judgment on Mr. Mann's scheme, and it would require a very special knowledge of the existing methods employed in docks and wharves to decide whether the new plan would be likely to work better than the old one.

In conclusion, we must consider what is perhaps the most substantial result of the strike, the establishment of the Dockers Union and the consequently more recognized position of the dock labourer. Before the strike there was, it is true, a small Union of some few hundreds, to maintain which Mr. Ben Tillett gave his time and health. The directors absolutely ignored it, but they have changed their tone now. The strike made the Union what it is. It has had its vicissitudes since 1889. There have been times when it has been on the point of collapsing, but things are more settled now, and it is said to number twenty thousand in London. Of course, when we compare this large number with the numbers given above of those employed, we must remember that the numbers stated in the earlier part of this article refer chiefly to the men employed by the Joint Committee, viz. in the London, India, Tilbury, Victoria, and Albert Docks. The Union, on the other hand, comprises men employed in all waterside labour, both those who work at wharves and in midstream as well as in the other docks not under the control of the committee.

The Shipping Federation struck the most serious blow to the Union by organizing the "Free Labour Agency." Last winter they are said to have attracted crowds of men from the country and other parts of London, and thus to have added to the numbers of those competing for employment. The Free Labour

Agency comprises "stevedores" as well as dockers and "coalies." It is a great pity that there has not been a more frank recognition of the Union by the employers of labour. It might have saved us from many troubles.

The Union, then, is a great fact, which has assumed tremendous importance as a direct result of the strike. It is by no means confined to London. It has branches in the following places: Hull, Bristol, Swansea, Gloucester, Cardiff, Newport, Middlesborough, West Hartlepool, Goole and Grimsby, Lynn, and Boston. It has also spread into the country districts, the leaders rightly seeing that, unless the agricultural labourers are organized and work in harmony with the London unskilled men, all their efforts will be unavailing. There are now branches in Oxfordshire, Gloucestershire, and Lincolnshire. The rules of the country branches are the same as those of the London Union, except that, whereas in London the entrance fee is now 2*s.* 9*d.*, in the country it is 1*s.*

I will conclude with the answer given me by an official of the Union to the question: "What has the strike done?"

"The results of the strike," he said, "are mainly educational. The dock labourers have come to see that the mere raising of wages is not the only thing to be thought of: they have come to see by experience that, although wages have increased, yet the large influx of rural labourers and other causes are at work to nullify the effect of good wages by increasing competition at the dock gates. This makes us look forward to reform in the direction of more centralization of labour." (My friend is a strong municipalizer.) "The strike has also educated the dock companies, especially the heads. They are well intentioned, but, unfortunately, those below them are ignorant and apathetic." (This distrust of the officials of the dock companies is very widespread. It is difficult to discover how far it is well founded.) "Yet, taking it all round, it is certain that since the strike the competition is not so keen or so driving."

JAMES G. ADDERLEY.

A DIALOGUE ON CO-OPERATION.

(WILLIAMS, *an old Christian Socialist;* DIXON, *a Potterite.*)

D. Well, Williams, I haven't come across you for an age, though I wanted to do so. I suppose you have read Miss Potter's book on "the Co-operative Movement in Great Britain"?

W. Only recently, I am sorry to say; I had other things to think of.

D. Isn't it a great book?

W. Outside the region of imagination, I think I should reserve the word "great," as respects women authors, for works such as Miss Wedgwood's "Moral Ideal." Miss Potter's book is very able; full of the results of serious, honest labour, acutely, if not always in my judgment accurately reasoned, sincerely and generously meant, and for a partisan work generally candid to a singular degree.

D. But how do you, an old Christian Socialist, feel after reading it?

W. Pretty much as I did before.

D. What! Has she not proved that your theory was a false one? that you and your friends—to use her own words—"ignored exactly those facts which Robert Owen realized; overlooked the fundamental changes brought about by the industrial revolution, increasing returns from the use of large capitals, the elaborate discipline of the factory system, the skilled intelligence needful for securing a market under stress of competition"? Isn't it quite true? And don't you feel rather small after it has been published to the world?

W. I have known so many men bigger than myself by head and shoulders, that I never can feel otherwise than small. But

I don't seem to find my inches any the less since reading the passage you have committed to memory. As to saying we overlooked such matters as "increasing returns from the use of large capitals, the elaborate discipline of the factory system, the skilled intelligence needful for securing a market under stress of competition," the simple fact is, that we had not these things at our disposal. We had no "large capitals" to use, no "elaborate discipline" at hand, very little "skilled intelligence" at our command. We tried to do the best we knew how with our materials. Moreover, Miss Potter makes one fundamental mistake. She thinks we constructed, or adopted, a theory, and then tried to carry it out. No such thing. We saw a principle before us, which we felt sure could alone meet the evils of society; we tried, very blunderingly no doubt, to embody it in action by such means as lay to our hand.

D. What principle?

W. The principle of fellowship, brotherhood, which in the economic sphere has come to be called Co-operation or Socialism.

D. Co-operation or socialism! Why, we hear every day of the two as being antagonistic.

W. Yes, it is pain and grief to me to do so. Socialism is simply the *ism* of being social, partnerly; and that can only be carried out by co-operation, fellow-work.

D. I will leave you to fight out that quarrel with some of your own friends. But come, won't you admit that the idea, which your productive associations borrowed from Buchez, was a complete failure?

W. The influences acting upon us were very various. One leading promoter was an old Owenite lecturer; our French promoter had been successively a St. Simonian and Fourierist, and had latterly been associated with Proudhon. As far as I was personally concerned, Fourier was the socialist writer who had most influenced me. I don't think any one of us had read a line of Buchez till we were actually at work. But so far as our associations were founded on Parisian models—these chiefly proceeding from the Buchez school of socialism—it may be said that our own were derived from Buchez. That they failed I fully

admit. I personally at first did not expect them to succeed, though I grew to hope that they would, and I believe now that some of them might have done so. But before going further, I must observe that Miss Potter is cruelly unjust to continental Socialism, of all the older schools at least, when she speaks of "the socialism of foreign manufacture which cries for an Utopia of anarchy to be brought about by a murderous revolution." I defy her to quote one line from St. Simon, from Fourier, from Buchez, from Cabet, from Louis Blanc, to give a colour to such words.

D. Don't go off on a side issue. You admit, then, that your associations failed?

W. Certainly.

D. Why?

W. I could give you a dozen reasons. Quite as much, I take it, by the fault of us promoters as of the working men. But success is always preceded by failure, often by many failures. Who could have imagined, on the collapse of all resistance to the great engineers' lock-out of 1852, that trade-unions would be the recognized power they are in 1892?

D. Yes; but the same lapse of time has not availed to enable you and your friends to produce one instance of success on behalf of your theory.

W. Principle.

D. Principle, if you like it.

W. To me it seems that our principle has been winning a victory on all the line. For one Christian Socialist in 1852, there are a dozen now. I find boys fresh from school, girls who have just left their governess, holding quite unconcernedly views which in 1852 would have tarred their owner with the same brush as ourselves. Look, again, at that momentous resolution of the House of Commons of Feb. 13, 1891, moved by the First Commissioner of Works, and adopted *nem. con.*: "That in the opinion of this House, it is the duty of the Government, in all Government contracts, to make provision against the evils which have recently been disclosed before the House of Lords' Sweating Committee, and to insert such conditions as may prevent the

abuses arising from sub-letting, and make every effort to secure the payment of the rate of wages generally accepted as current for a competent workman in his trade." Contrast that with the letter to Mr. Shaw, the benevolent army clothier, from the Secretary to the Admiralty, March 19, 1847, quoted in Kingsley's "Cheap Clothes and Nasty," when commanded by their lordships to acquaint him "that they have no control whatever over the wages paid for making up contract clothing . . . the cost of the material and the workmanship are matters which rest with the contractor." Why, the two are in direct opposition to each other.

D. You are as slippery as an eel. I want to pin you down to methods of association, to the specific causes of failure in this direction and success in that, and you go off into quite general questions—matters, in fact, of trade-unionism. What Miss Potter preaches is the union of co-operation and trade-unionism.

W. Please to remember that I have just quoted "Cheap Clothes and Nasty," that shell flung into the camp of competition; that our immediate practical object in setting up associations was to ensure to the worker the fair reward of his labour; that we fought with might and main by the side of the men in the engineers' lock-out.

D. Oh yes, I know; as Miss Potter says, you used to meet night after night at Mr. Maurice's house, and discuss "every imaginable plan of political, industrial, and religious reform,"—trade-unionism, of course, amongst the number.

W. A more astonishing piece of news I never heard, or a falser. Mr. Maurice degraded into the president of a debating club! I never knew a single meeting at his house which was not intended for some practical purpose.

D. Even the Bible-readings?

W. I know nothing more practical than to consider how far a book concerns each one of us, which has so largely influenced a large proportion of the human race for the better part of two millenniums.

D. Well, well, I cannot stop to discuss that question. I must bring you back to one which I asked you before, but will put it

in a somewhat wider shape. Do you not admit that all associations of workers for sharing profits among themselves have been a failure, morally or commercially, either becoming close corporations or sliding—maybe rushing—into bankruptcy, whilst the factories and other such undertakings carried on by the Wholesale Co-operative societies are a splendid success?

W. One of the productive associations of which Miss Potter gives a sketch was a thorough success until the time that it associated itself with a capitalist upon terms which proved too onerous for it. Even then it maintained its character for excellence of work, and it was eventually wound up at a time when an important contract was offered to it for execution. But assuming that I were to answer Yes to both parts of your question, I refuse to measure the moral worth of anything by its material or commercial success. The doctrine of a certain Galilæan prophet was a terrible failure when He died the death of a slave on the cross! The Roman Empire, by the disdainful leave of whose representative He was scourged and crucified, was, then, a "splendid success"! Which of the two has outlasted the other?

D. No generalities—not to call them platitudes—if you please. Why have the first class of bodies failed? That is the first point.

W. Financially, do you mean? Well, for all sorts of reasons, from within and from without: want of capital, want of custom, want of skill, want of a proper audit, want of moral worth. Nay, paradoxical as it may seem, I believe several of those which we helped to form failed rather from having too much capital than too little. Too much capital is a distinct danger for the unskilful or morally weak. In short, associations of producers have failed for just the same reasons for which shops will fail, and factories, and companies, and co-operative stores.

D. The same reasons for which shops and companies will fail? But what, then, becomes of the boasted value of your co-operation among producers?

W. I have never held with Robert Owen that man is the mere effect of circumstances, powerful though their influence may

be. I have never dreamed—nor, I am sure, did my fellow-workers dream—that any form of co-operation hitherto or hereafter to be devised could turn men out models of skill, paragons of moral perfection; could of itself supply capital and custom. I thought—we thought—that it might make the associates better men, more skilful workers; might help to attract or accumulate capital, to attract custom.

D. Did the form you adopted do any of these things?

W. I think the attempt to carry out our principles, through the form which was adopted, made those men better who clung to these principles, even through the dread ordeal of failure; that in these it developed character; that it developed skill; that so long as the associates kept up to the moral mark, it secured to a remarkable degree carefulness and efficiency of work. I do not believe better work of its kind was ever turned out than that of our men's strong shoemakers, or later on of the first cabinet-makers' association, or of the gilders of Red Lion Square. But then, *corruptio optimi pessima.* Those men who turned away from their principles association made worse, and their work worse with them. But I care nothing for the form. If the form we adopted were a wrong one, so much the better that this should be proved.

D. Then you admit that there may be better forms?

W. If there are a dozen better ones, a hundred, I shall be all the more pleased.

D. Then will you admit that the form of production by the Co-operative Wholesale societies may be a better one?

W. Certainly, if so worked as to be better.

D. Now I think I have got you to the point. It is here that Miss Potter's reasoning is so convincing—overwhelming, I may say. "Is it possible," she asks, "for an association of consumers to realize profits?" And she goes on to say, "the member who buys an article at the counter of the store, the manager who orders and pays for a 'line' of Leicester boots from the Wholesale society, is simply depositing in the hands of the officer of the association a sum to cover the expenses of trading and manufacturing which have been or will be incurred in the

production of those commodities." What answer can you give to that ?

W. Allow me first to ask you one question. Are you aware of a single store which confines its sales to its own members ?

D. Certainly not. Why, nothing can be more certain than that the main advantage of the Industrial and Provident Societies Acts over the old "frugal investment clause" of the earlier Friendly Societies Acts is that they allow stores to deal with non-members. This is fully set out by Miss Potter.

W. One more question, then. Are you aware of any store which allows the same ratio of dividend to members and non-members ?

D. I really could not say. I believe the general rule is—full dividends to members, and half-dividends to non-members.

W. I make you a present of a handful of possible exceptions, though personally I have never heard of any. But if this be so, if sales are made to non-members, and a portion of the dividend is retained from them, do you not see that to that extent at least Miss Potter's reasoning falls to the ground ? That the store is not an association of consumers generally, but an association of capitalist consumers making a profit out of other consumers who do not contribute capital, or have not as yet contributed a fixed amount of capital, however small the figure required, who in the former case exercise no share whatever in its "democratic" management, and in the latter case "in some stores" only ?

D. Yes ; but the bulk of the custom comes from the actual members.

W. I quite grant that the non-members' custom in most cases forms but a fringe to the custom of members. Still, though Miss Potter may have overlooked this for the moment in her enthusiasm, the fact remains that so long as one single customer is shut out from dividend, the price paid by him includes an actual profit on the transaction, which is taken by the member in the shape of dividend on his own consumption. As between the customer member and the customer non-member, the former stands to the latter simply in the position of the ordinary shopkeeper, or of the shopkeeper who may allow a discount.

D. De minimis non curat lex, and why should Miss Potter?

W. I have a weakness for looking things straight in the face and all round. Do you admit, then, that the "divi" of the member of a co-operative store does not merely represent the repayment of a deposit after deduction of expenses, but includes, be the amount great or small, an element of profit upon non-members' custom, indistinguishable except as to amount from that of the competitive shopkeeper?

D. I suppose this is so.

W. Now let us proceed to consider the case of stores producing for their own consumption. When Miss Potter says, "If I produce for my own consumption, I buy the raw material, but I do not sell the product; therefore I make no profit," and seeks to identify the case of "a body of consumers in association, acting through their representatives," with that of "the householder supplying himself and his family," she again overlooks the element of consumption by non-members. The manager who orders and pays for a line of Leicester boots from the Wholesale society may, so far as that particular transaction is concerned, be "simply depositing in the hands of the officer of the association a sum to cover the expenses of trading and manufacturing, which will be incurred in the production of those commodities." But he is doing something else at the same time. He is preparing for himself the means, on behalf of the capitalist-consumers whom he represents, of extracting a double profit—the wholesale and the retail—out of their mere customers. So far as these are concerned, the store on whose behalf he acts assumes the position no longer of the mere shopkeeper, but of the manufacturer who keeps a shop, and takes the profits at once of manufacture and of distribution.

D. Well, what is the harm, so long as he pays fair wages, trade-union wages, to the workers?

W. Very well; it being admitted that as respects non-member customers the store holds the position of a profit-making shopkeeper, and so far as all goods produced on its behalf by the Wholesale societies are concerned, the position of a manufacturer-shopkeeper making a double profit, wholesale

and retail, let us leave on one side henceforth all that portion of the question, and apply ourselves only to the other, the relation of the producing store, or Wholesale society, towards the workers. Again, here you will admit that, in paying fair wages, trade-union wages, the store or Wholesale society only occupies the position of a sensible, fair-dealing private employer. But what guarantee have we that the employing store, or combination of stores, will be a fair-dealing employer—will pay trade-union wages?

D. None, I admit, in Miss Potter's words, without "the constant, and, I fear, sometimes unwelcomed, assistance of the trade-unions."

W. But trade-unions are far yet from embracing the whole of the working class. It is only within the last two or three years that a really serious effort has been made to extend them to the vast world of unskilled labour. It is still a problem how far that effort will succeed. It has hardly itself reached to the lowest strata of all. From the worker's point of view the case, therefore, lies thus. He has no guarantee that the so-called democratic store will pay fair wages, except where these can be enforced by a trade-union, or federation of trade-unions, adequately powerful for the purpose.

D. I suppose it is so. We can be only working towards an ideal, that "collective bargain," that "social relation which will supersede the individual relation," that "industrial democracy, fully developed," in which industry shall be "organized by associations of consumers, whether voluntary or compulsory, the store, the Wholesale societies, the municipality, and the State," while all workers "shall be united in trade-unions."

W. "And 'presbyter' is but old 'priest' writ large." My dear man, what is this but the old competitive plutonomy "writ large"? the "higgling of the market" on the vastest possible scale? Can any one seriously call this clash of conflicting interests Socialism?

D. Can you deny it the title of democracy, when the whole people, consumers and producers alike, shall share in fixing the terms of the "collective bargain"?

W. When arrayed in two hostile camps? If it is democracy, it is democracy of an entirely new pattern, answering neither to the heathen nor to the Christian meaning of the word, but more nearly approaching to the former.

D. I do not understand you.

W. The Christian democracy is that of the one body with many members, in which "the eye cannot say unto the hand, I have no need of thee; nor again, the head to the feet, I have no need of you;" in which there is "no schism," but the members "have the same care one for another;" in which, if "one member suffer, all the members suffer with it." The heathen democracy is that of an organized body of consumers and privileged workers, in the centre of an unorganized crowd of unprivileged workers, slaves, or helots; for the wisest of Greeks, as you know, Aristotle, simply could not conceive of freedom without slavery to serve it. Miss Potter's democracy is that of two organized bodies of consumers and workers, with interests fundamentally opposed, engaged in a perpetual struggle as to which shall get the largest share of the proceeds of production. She goes so far beyond the ancient idea, that she would organize the workers, answering to the slaves and helots of old; but into a separate *demos* from that of the consumers. I, for one, see nothing in such an ideal for which it is worth while to lift up a little finger. To me it appears a mere juggling with terms to ring the changes on the term "democratic," in reference to that which, as Miss Potter honestly confesses, may "be used as a great engine for the oppression of one worker by another." It is social peace I want; not social war.

D. But we, too, do not want war; we want agreement between the two opposed interests.

W. Do not want war? But what is to prevent it if the opposed interests will not agree, and the one will not submit to the other? Who remains to judge between them? And if the one is too weak to resist the other, what is to hinder it from being crushed if the stronger one chooses? And which will be the stronger one? Miss Potter speaks of the "fervent

desire on the part of officials and committee-men to include every inhabitant of the district within the charmed circle of profit-sharing and self-governing members." You would, therefore, have, on the one hand, all classes united in a co-operative union of stores and their federations; on the other, a working-class united, more or less, in a federation of trade-unions. Which would be stronger?

D. The first, I expect.

W. Then, so long as the opposition of interests continues, the overweight lying with the consumers' unions, the stronger they become, the less likely are they to pay even fair wages if they can help it. Remember that Miss Potter herself honestly admits, that at the present time, "the majority of the customer-members are not convinced co-operators." If they are not so now, when probably the great bulk of them still belong to the working-class, what likelihood is there of their becoming more so hereafter, when other classes join them more and more? For myself, rejoiced as I am to see that at last—at last!—there seems some hope of a practical alliance between co-operation and trade-unionism, I could not, if I were a trade-unionist, look otherwise than with dread on the growth of these colossal productive establishments, conducted in the sole interest of the consumer. I believe they might become engines of oppression to the worker, beside which that of the most grinding capitalist employer would be insignificant. But now let me ask you one question: Why should the consumer, when he can afford to pay more, pay only ordinary fair wages to the worker?

D. I do not know that I quite understand you.

W. The consumer pays in the first instance the ordinary retail price, or very little less, for a pair of boots. If he pays it, I presume it is because he can afford to pay it. But he expects to receive back in the shape of "divi" all above actual cost price, including, we will say, fair wages to the workers. Now, which has the better moral claim to that difference—the men who made the boots, or the man who has only had the trouble to put his hand in his pocket and pay for them?

D. But, as Miss Potter shows, the association of consumers is

only in the position of a householder engaging certain persons to render him certain services. Fair wages are all that these can expect, since no real profit is made.

W. The fair wages of the market mean, in our competitive state of society, the highest wages obtainable that will admit of the employer making a profit upon the goods produced. Where the employer does not seek to make a profit, he is always expected to pay a higher rate of wages. A gardener will always expect to receive from a householder more wages than he can get from a market-gardener; if thrown out of a situation, he will go back without a murmur to the lower wages of the latter. If I employ a working bookbinder, I shall get my books bound cheaper than through a shop, but he will nevertheless be earning higher wages from me. The same rule, I believe, holds good in every department of labour, subject to an exception here and there, where the employer is specially sharp and sharky, the worker specially needy and weak. By the same analogy, your consumer-employers, who can afford to pay, since they do pay in the first instance, more than cost price for their goods, ought to pay more than the mere fair wages of the market to the producers of such goods.

D. But the worker in the productive departments of a wholesale co-operative society has only to do with those who engage his services. The fact that those who are to him mere manufacturing employers have also retail shops does not concern him, any more than if they were individual employers who did so. The trade-unions make no difference in such a case, whether the employer himself sells both wholesale and retail or retail only.

W. I hope they may sooner or later. But come, are you not a little ashamed as a co-operator of sheltering yourself behind the competitive employer? Suppose you had worked him off the face of the English earth, that all the national production of the country were carried on by the Wholesale, would it then pay higher wages to its workers?

D. If brought to do so by the federated trade-unions.

W. Verb. sap. In that case they will do well to try and

establish the practice before the Wholesale can attain such gigantic dimensions.

D. But in all this you have done nothing to establish the right of the worker to profits.

W. I have tried to show that he has the first claim upon the enhanced value of the fruits of his labour paid by the ultimate purchaser. Whether that claim is satisfied in the shape of profit or of increased wages is, under the circumstances of the present day, of much less comparative importance. But the condition of the wages-receiver is not to me an ideal one for the worker. It is a sort of washed-out slavery.

D. Well, say what you will, that is for me a grand idea of Miss Potter's, of the "gathering together of the whole working-class in a co-operative union on the one hand, and in a federation of trade-unions on the other, which," as she says, "would make the workers practically paramount in the State."

W. She has warned you herself that your grand idea is impracticable.

D. How so?

W. In those strikingly honest pages, which I wonder did not suggest to her some doubt as to her fundamental theory, when she admits that "in some of the largest and most important industries an open democracy" (I am afraid I should be inclined to call it a scratch pack) "of consumers forms an undesirable or impossible constituency for representative self-government;" instancing steam navigation, railways, the land, the export trade. But even if the idea were not impracticable, I should still object to it. I do not want to see the working-class so called (for this is what she means by "workers," as shown by a parallel passage which I am just about to refer to) "paramount in the State," or, as she phrases it elsewhere, "the British working-class" securing "sovereign power in industry as in politics." I wish to see no one class securing "sovereign power." I wish all classes—so long as there are classes—to have their share in the exercise of power. But I wish to see them all bound together more and more in one, not split into two opposite camps, the banded producers engaged in a perpetual tug of

war against the banded consumers. That, I repeat it, I can call neither co-operation nor socialism, but a sort of Armageddon battle of competition.

D. Well, what would you have ?

W. In the first place I would say, change your starting-point. Miss Potter starts from the consumer, the purchaser. Start rather from the producer. Give by all means to the term "producer" the largest possible meaning. Include in it, as Professor Marshall does, all who "re-arrange matter so as to make it more useful;" as did the late Professor Thorold Rogers, all whose agency "is to make the producer of material wealth more efficient."[1] The greatest of all producers is the producer of ideas. Such a producer would Mr. Edison be, though he should have been born without hands or feet, and with a malformed mouth, so as to be incapable of using the simplest tool. But the consumer means in addition the criminal, the idiot, the madman, the decrepit, to say nothing of the child, the sick, the aged, who may be morally producers in their way. It is the producer (not, mind you, the mere so-called working-man) who makes the nation. It must perish if it only consumes. Every theory, therefore, of social re-arrangement, of social progress, which starts from mere consumption, starts wrong, and the further it is pushed, the more wrong it will go. For consumption is the merely human element in life; production, the divine. God is the Eternal Producer.

D. No "metapheesics," please,—I am not a Scotchman. I reserve objections; but I would ask, how would you carry out the process of starting from production ? Still by the old, and, you must allow me to say, exploded process of the association of workers ?

W. I have been trying all I can to raise you above processes to principles. Observe, I have not said that you should start only from the producer, but *rather* from the producer. I mean, that his interest should have the first consideration, and not, as now, in all production carried on by or on behalf of co-operative

[1] See *The Industrial and Commercial History of England* (T. Fisher Unwin, 1891), p. 196.

stores, the interest of the consumer. But the interests of even non-producers have to be considered, provided it be as subordinate to that of the producer. Out of the fruits, or upon the proceeds, or by the means of his labour, the criminal, the vicious, has to be punished, restrained from doing harm, if possible reformed; the idiot, the madman, the sick maintained, and, if possible, cured; the aged maintained, the idler forced to work, the child brought up, the fool kept from mischief. All these duties, so far as they are carried out at all, are burthens, necessary burthens, which, under any circumstances, at all times and in all places, fall upon the shoulders of the producer,—taking, I repeat it, that word in its largest sense, and so as to include all who contribute intellectual and moral power, as well as physical strength, towards carrying out any such duty. Nay more—the burthen is all the heavier if the duty goes unfulfilled. The unpunished, unrestrained criminal renders all life and enjoyment of life insecure; he is a danger to society, so long as he remains unreformed. Vice, unrestrained, engenders disease, provokes crime. The idiot and madman at large may do as much mischief as the criminal. The neglected sick may become centres of wide-spreading infection amongst the healthy; the callousness engendered by the neglect leads to crime. The neglect of the aged does the same. Idleness too often finds its main occupation in vice. The neglected child grows into the criminal. Whilst therefore it is to the essential interest of the producer himself that all these interests of non-producers should be considered, it is surely above all for the producer to determine how he is, under God, to provide for them. So long as he is merely shut up in a trade-union—kept, as Miss Potter would have him kept, to the mere maintaining wages against the grinding of the consumer and capitalist,—he must still bear the burthen, but he cannot rise to the duty. He is not a man in the large sense of the word, a man made in God's image; he is only a fighting trade-unionist. Now, I want trade-unionism to expand into humanity, and finally lose itself in it.

D. Do you mean, then, that production should be carried on by the trade-unions?

W. That has been my ideal for the last forty years, ever since

I thoroughly understood what a trade-union was. That is what we old Christian Socialists preached to the Amalgamated Engineers in 1852. Then, as now, there were legal difficulties in the way. But the moral difficulties were far more overwhelming. I own I despaired of that ideal being ever realized, when, in 1858, I saw men, staunch trade-unionists now as then, driven out of their trade-union because they had entered upon productive co-operation. But the gradual drawing together of the two movements of late years has revived the old hope, and I know of no more important reform in the law than one which should enable trade-unions legally to carry on, or join in carrying on, a trade.

D. Why do you say "join in carrying on a trade"?

W. Because I am entirely in favour of combining the interests of the producer and of the consumer-capitalist in a trade so carried on; of admitting as members those who will only contribute capital and custom, and allowing them dividend upon their purchases, so long as the producer-element remains the paramount one. My ideal, you see, is exactly the converse of that of Miss Potter: I want to put the producer at the top, instead of keeping him at the bottom, in the subordinate position of a mere check or drag upon the greed of his (so-called democratic) majesty, King Consumer; and I want, above all, to combine those forces which she would keep separate. Miss Potter, for instance, speaks of the institution of a trade-union of co-operative employees as "the most unique triumph of trade-union organization, through the co-operative system of consumption." For me, when I first heard of the fact, the feeling was one of bitter, almost personal shame, to think that persons calling themselves co-operators should have so pushed forward their selfish greed as to compel those under them to band themselves in self-defence against them.

D. Seriously, when can you possibly expect your ideal to be realized?

W. Do not suppose that I am absolutely wedded to any particular scheme. I am far from thinking that a productive association cannot succeed without being in the hands of a trade-union. I should have been very glad to see the plan tried,

which is recommended in a late letter of Judge Hughes and Mr. Vansittart Neale, published in the *Co-operative News*, of productive associations being set on foot by the Wholesales, instead of mere agencies. I should be very glad, things being as they are, to see the plan carried out which is mentioned in the letter as having been suggested by Mr. Maxwell, of the various bodies of workers employed by the Wholesale societies being represented in the meetings of those societies, and governed by sub-committees where the workers should be represented. I shall rejoice in every step that can be taken towards bringing men together, reconciling conflicting interests, and insuring more and more to the worker the full reward of his labour, that he may be the better able to do his duty towards God and man. Our greatest triumph over circumstances is to adapt them to our principles, not to expend all our labour in pushing circumstances on one side, though even that may be sometimes necessary. My ideal is simply an endeavour in this direction. Where there were no trade-unions—and remember that these scarcely exist in any other European country than our own—I should necessarily have to choose another. But Miss Potter's ideal depends entirely upon the existence and perpetuation of trade-unions. She does not attempt to deny that without them it would be one of sheer oppression of the producer by the consumer.

D. Well, well, time will show which of you is right.

W. I am an old man, and I certainly do not expect to see the problem solved with these mortal eyes. Fully solved, it probably never will be. But I trust Miss Potter will live to see some steps taken towards its solution. And as I do not doubt for a moment her sincere desire for the good of the working class, I feel convinced that, so far as any one such step may prove a successful one for that purpose, she will be able to rejoice over it, even though it should go counter to her own teachings.

J. M. Ludlow.

REPORT ON SOCIAL LEGISLATION IN ITALY.

Since Germany took the lead with regard to those laws which have been called Social, discussions thereon have resounded throughout all the Parliaments of Europe. But, since in Italy State Socialism—at one time arrogantly self-asserting, at another modest and retiring—has been and is a question of tendency rather than of conviction, the practical results of these discussions in Parliament have been few and of little importance. Whilst the discussions on the question of the legal status of Friendly Societies were being protracted in Parliament and outside it—from the time (May 4, 1870) when the Commission on Provident Institutions approved a first bill, and subsequently ran through a whole list of bills discussed in the House, viz. the Majorana bill in 1872, the Miceli bill in 1880, the Parliamentary bill of the same date, and the Berti bill,—the law of April 15, 1886, which recognizes this status, was put forward with such hesitancy, that it certainly did not merit all the blowing of trumpets which the Workmen's Friendly Societies have made and are making about it, while they are hesitating between yes and no, between asking and not asking for this legal status. And when they have succeeded in obtaining it without loss, they will secure thereby the convenience of being considered corporations, and hence of having an existence recognized by law as a distinct body for all purposes economical and legislative. It is easy, we have already said, to obtain this. It will be sufficient for the purpose, in the first place, that the constitution of the society, and the approval of the statute be secured by recognized legal authority ; and, secondly, that the statute contain certain specifications appointed by law. Insurance in case of sickness (which was legislated for in Germany by the bill of January 15, 1883) in our country has been left to the initiative of private persons ; and so, too, the much vexed question of Old-Age Pensions. In the mean time, one must admit that, if a great number of our Friendly Societies have been successful in providing assistance in the case of sickness, very few indeed have reached the point of fulfilling the promise in their bye-laws—a promise as easily made as it is likely to mislead—of granting old-age pensions. We say this, not with the mental reservation of lamenting the absence of legislation

on this question ; on the contrary, we are only desirous of clinching an idea so often expressed in our country, that the working classes should look more closely at their own condition, and clip the wings of their imagination, so that they may not take those pleasing flights, whose futility is shown in the striking want of correspondence which the few Friendly Societies offering old-age pensions show between the pensions which they promise (and in most cases cannot give) and the premiums for insurance which they make their members pay.

Twice have attempts been made in our country to pass a special law for the creation of a national fund for the payment of old-age pensions for working men : on the first occasion, through the instrumentality of the Minister Berti, by whom the draft of a bill was laid before the House on November 30, 1881, and again on February 19, 1883 ; on the second, through the agency of the Minister Grimaldi, who presented a bill to the House on January 1, 1885. On the first of these occasions especially, the project of the Minister Berti, which had been formulated on the basis of the suggestions of a special commission nominated by the Artisans' Club at Bologna for the special object of promoting the foundation of the above-mentioned fund under guarantee of the State, seemed likely to reach its goal, and was the subject of lively discussion throughout the whole country. Finally, however, this project came to grief, as did also the second. Next, two members, Vachelli and Ferrari, returned to the charge, and presented, for the second time (December 11, 1889), a bill to make provision for the Workmen's Pension Fund, which the House has taken under its consideration, but which has not progressed further towards becoming law.

So, too, Italy has not imitated England, Switzerland, Austria, and Russia in their more or less complete and complicated legislation about the protection of female operatives, and has placed no limitations on women's work. On the other hand, it has dealt differently with the question of protection of child-labour ; and this is, in part, explained by the historic traditions of the country ; for if one were to sketch the history of the legislation regulating child-labour, from an old law in force in the Republic of Venice in the fifteenth century, one would arrive, through an unbroken sequence of law, at the Sardo-Lombard measure of November 20, 1859, regulating work in mines. When the area covered by this legislation had been reduced under one system, there only remained the regulation of child-labour in the mines. This matter was dealt with for the first time in a bill of 1874, proposed by Signor Castagnola, which prescribed a day of rest in every week, a maximum of six hours' work per diem, and

other regulations for the more efficacious protection of child-labour. In December, 1876, a bill was drawn which remained buried in the record-office of the Minister of Agriculture, Industry, and Commerce. Consequent on that, at the instance of Minister Cairoli, a committee of inquiry was appointed to investigate the condition of child-labour in factories. Later, under the auspices of Signor Luzzati, a bill was presented to the House, dated November 29, 1879, which was modified by another of June 9, 1880. In the same year, that is to say on June 21, 1880, the Minister Miceli substituted for the Government bill a private bill of his own, while the Minister Berti presented another; and finally a bill, introduced by Signor Grimaldi, was discussed and approved, and became law on February 8, 1886.

This law forbids the employment of children of either sex in public workshops, quarries, or mines, unless they have reached the age of nine, or of ten if it be a question of working underground; children between the ages of nine and fifteen are not to be employed in the public workshops, quarries, or mines, unless furnished with certificates from medical men, appointed for that purpose by the local Board of Health, to the effect that they are physically sound and fitted for the work for which they are destined. Schedule 1: Children under fifteen of either sex cannot be employed in works that are dangerous or unhealthy, except within certain limits or with definite precautions. Schedule 2: Children between the ages of nine and twelve can only be employed for eight hours during the day. Schedule 3: In accordance with the regulation for the carrying out of this law, night-work is considered unhealthy, and forbidden for all children who are under twelve, and limited to six hours for those between the ages of twelve and fifteen. However, upon a vote of the Board of Health, the minister can give consent to the employment of children under twelve years of age for not more than six hours. Children are not to be employed in the working of motors, nor in the cleaning either of the engines themselves or their different parts when actually working (art. 40). Children's work in the factories, quarries, or mines must be broken at regular intervals for meals, of at least one hour, when their work lasts for more than six hours (art. 12). Children are not allowed to take their meals in places where there is dangerous or unwholesome work (art. 13). The duty of enforcing these laws is intrusted to mining-engineers and factory inspectors (art. 5). Other regulations respecting the care of children are collected into a pamphlet form, and are placed in the hands of every child more than nine years old and below fifteen.

Legislation through Parliament on industrial problems has been most successful, through the efforts mainly of the ex-Minister Berti,

in the direction of insurance against accidents in manual labour.[1] When all attempts to bring in some special legislation on the civil responsibility of contractors, masters, and other employers of labour has failed, among which should be specially mentioned the bill proposed by Berti and Grimaldi, which made a serious attempt to deal with the difficult position of the artisan who is unable to *prove* that the fault lies with the master, by inserting a clause which laid on the master the burden of proving that the accident had occurred solely through the carelessness of the injured workman, or from circumstances over which he (the master) had no control—a principle which wrecked the bill,—when, we repeat, all attempts had failed, there still remained the clauses embodied in the Civil Code, which are to this effect: (1) The contractor alone is responsible for injuries occurring through his own fault. (2) The burden of proving the master's carelessness rests with the workman (art. 1312).

It is worth while recollecting that, with regard to provident arrangements for accidents, a fresh project was prepared by the ex-Minister Miceli, in a bill presented to Parliament, June 7, 1890, which, while waiving all questions as to responsibility, adopted a system of compulsory insurance against accidents, and which—as we learn from the introductory remarks which accompany it—found encouragement

[1] Italy does not possess complete statistics with regard to accidents to labourers. The number of these might be precisely ascertained in Italy if a law to define individual responsibility for accidents were drawn up, or if there were a system of obligatory insurance; but *that* is certainly no reason why we should demand this. Up to this time we only have the annual figures giving those who have died violent deaths, published as an appendix to the Report of the various causes of death. Including only adult operatives, the deaths from falls and all sorts of accidents connected with mines or factories come to about a thousand. Now, basing our calculations on the experience of Germany, this would mean that for every death there are from thirty-five to forty more or less serious injuries (we are not now reckoning agricultural labourers, but only artisans), which cause either a permanent or a temporary inability to continue working. [See *Annali del Credito e della Previdenza*, 1889, p. 77, and the work of Debarbieri, *Studio sulla legislazione Sociale in Italia*, as an introduction to Dawson's *Bismarck and State Socialism*.]

Another fact which can be ascertained is the number of accidents occurring among the artisans insured in the National Insurance Fund, of which we shall speak again later. From 1884 to 1889, payments were made for about 10,000 accidents, and more than 500,000 francs were distributed to the victims of labour. In 1889 the workmen insured in the National Insurance Society were 82,705, and in that year there were 5000 accidents among the members; in 1890 the workmen insured number 102,000, while the accidents reached a total of 6000. Railway companies also keep a record of the accidents to men in their employ. The initiation in this was taken first by the Ferrovie della álta Italia, and their example was afterwards followed by the other companies. [See Virgilii, *Accident Statistics*, and Debarbieri's work quoted above.]

from the experience of two neighbouring kingdoms, and from the favourable reception accorded to the principle in Belgium and in Switzerland. Its adoption was, however, to be limited in certain directions, and its application was only to be gradual.

This project, which sanctioned both arbitrary proceeding and violence, was fortunately abandoned on the fall of the minister, and at this moment the Minister Chimirri has come back to the original question with a bill,[1] which has already been read in the Senate, though not yet debated. The details of this bill were announced by Commissioner Bodio in the recent Congress at Berne, and met, it is said, with general approval.[2]

[1] This bill was drawn up by a commission, consisting of the Members—On. Trompeo, Florenzano, Pandolfi, Luzzati, Fagiuoli, Righi, Ricci, V. Odescalchi, and backed by Chimirri.

[2] The first clause of this bill, which includes all workers in quarries, mines, dangerous forms of employment, building operations, and machine sheds, imposes the compulsory adoption of all the necessary regulations for the prevention of accidents, the protection of life, and the maintenance of the health of the workmen. [This is found in clause 18, which lays down, giving the time-limit of six months from the passing of the bill, that all contractors and managers of works which come under the head of art. 2 shall specify the precautions taken by them against accidents, with the penalties attached to the infringement, etc., as well as the regulations affecting the conduct of the workmen, so as to avoid accidents, with the penalties, etc.] Those who break these regulations are fined to the extent of sums varying from fifty to five hundred francs, without prejudice to the question of responsibility, whether civil or penal, in the event of an accident.

The second clause limits the working of compulsory insurance to the great industries, excluding also agricultural work. The numerical limit, after which the act is to come into force, is limited to ten. Hence, in accordance with the act, "all workmen must be insured against accidents who are engaged in working in any quarry, mine, public building, or naval dockyard, or who work with explosive materials." The law therefore fixes an arbitrary number (ten), and at the same time is limited in its scope, touching only *some* of the great industries,—two circumstances which would seem to impair its real efficiency.

The bill further includes all bodies or industries of what may be called a State character, making insurance compulsory on all workmen employed in the industries or forms of labour mentioned above, even when their management is in the hands of the State, the Province, or the Commune. It extends even to contractors, whose tenders have been received by those bodies. The 5th clause enacts that the insurance must be made and paid for by the managers or directors. In case of temporary inability to work, sick-pay must be given from the first day of the fourth week. These are the main essentials of the law, nor can it be wondered at that it should have received the approval of the Berne Congress.

But it may be asked: (1) What about the injuries or the illnesses which demand treatment for three weeks only? There are 102,000 workmen insured in the National Fund who have had the right to claim sick-pay from the fifth day of sickness. (2) Will not the master or the director compensate himself for the

In order, in the mean while, to effect the insurance of working men against accidents, the law of July 8, 1883, founded the National Fund (Cassa Nazionale), of which the guarantee sum came (in accordance with the agreement drawn up at Rome, February 18, 1883) from the Savings Banks of Milan, Turin, Bologne, Rome, Venice, and Cagliari; from the *Monte dei Paschi* of Siena, from the *Monte di Pietà*, and from the Savings Bank of Genoa; from the Bank of Naples, and the Bank of Sicily. The Fund was to be managed in the Savings Bank of Milan.

The sum of the guarantee fund, estimated at one million and a half, was subscribed and paid up in 1889, upon a *pro ratâ* principle, by the aforementioned institutions. In accordance with the tariff of premiums and of damages approved by royal decree, March 26, 1884, the National Insurance Fund includes three different forms for accidents happening to workmen: (1) individual insurance, whereby arrangements are made in favour of a single individual, and a sum guaranteed as compensation for damage through accident received by a workman while pursuing his vocation;[1] (2) simple collective insurance, whereby an arrangement is made by the proprietor or contractor in favour of all in his employ, or by the presidents of working men's clubs in favour of their members, or by proprietors, contractors, and workmen at the same time;[2] (3) combined collective insurance, where the arrangement is made by the master alone, or by him together with his workmen.[3]

The difference between simple and combined collective insurance consists in this, that in the latter the *entrepreneur* is insured, in case of any damages he may be called upon to pay by the *Code civil;* that is to say, the Fund pays the amount due from the contractor to the

payment of the premium by taking it out of the pay of the workmen, which would indeed be a grievous injury to the whole of the working or consuming classes? These questions may indeed be partly answered, but we are still far from a satisfactory solution of such problems.

Further, this bill, which tends to substitute insurance for civil responsibility, seems no better than those numerous predecessors which have disappeared almost as soon as proposed, and the only thing we can desire is that *it* too should go and join those defunct predecessors. Those forms of co-operation which have been applied to insurance in these directions have, in other countries, had such magnificent results that we are far from thinking it necessary to copy, in this field too, German institutions.

[1] In the five years, 1884–1888, 3216 workmen were insured on these individual policies.

[2] In these there were 156,351 insured.

[3] Apart from a total of 159,767 workmen insured during those five years, 138,684 have been enrolled in this combined collective assurance.

workman for accidents due to the fault of the person that is in charge of the work. These two last forms of insurance include all workmen occupied in a certain, or rural administration, or those enrolled as members of a club. This insurance deals merely with accidents. With individual insurance, or simple collective insurance, arrangements can be made (1) for accidents followed by death; (2) for accidents followed by permanent disability to work; (3) for accidents which cause only temporary disability to work; or for one of such cases only, or for two, or for all three. Under the head of combined collective insurance, arrangements can be made for the cases of death and permanent disability for work, or for the cases of death, permanent or temporary disability.

When an accident happens at work, the Fund pays, (1) in case of death, the whole sum stipulated in the policy to the heirs or executors of the man assured, in accordance with the terms of the law (N.B. the capital sum cannot be more than ten thousand francs); (2) in case of permanent and absolute disability for any definite work, the entire sum insured as above,—if the permanent disability be only partial, the sum is made proportionate to the extent of disability for work, and runs between the limits of ten and eighty per cent. of the amount insured for absolute disability; (3) in case of temporary disability, a daily allowance is granted, to begin from the sixth day after the accident, calculated on wages, and never exceeding five francs. After ninety days of illness the allowance may be decreased from twenty to forty per cent., and in some few cases can be converted into a sum down.[1]

The arrangements for these three different kinds of insurance are made on the basis of a special tariff of premiums, which determines the premium according to the amount of risk to which the workman is exposed in the performance of his duties, and in proportion to the amount of indemnification insured.

The law of December 28, 1886 (No. 4233), authorizing the Government to introduce into the management of the Fund, by means of a simple royal decree, all those changes which experience could suggest, a royal decree, July 24, 1887 (No. 4808), authorized the Fund to pay the daily allowance from the sixth day after an accident had happened, instead of after the thirty-first, as had been at first

[1] The mean amount of insurance in case of death for the period of five years (1884–1888) was 1071 francs; the same sum was paid down for complete disability, and a due proportion of it in case of partial disability, and the mean daily allowance for the duration of temporary illness was 20 francs. The mean annual premium during this period was 5·59 francs for individual policies, 3·06 francs for simple collective, and 3·78 for combined collective.

agreed upon, and to divert for the formation of a reserve fund the net profits of the year.

Finally, on December 29, 1888 (No. 5888—Sexies), the regulations and tariffs of the premiums, and amount of indemnity of the National Fund, were sanctioned by royal decree.

Now let us return once more to the law of July 3, 1888 (No. 5504), which regulates the pensions of workmen who do not belong to the army, but are employed by the Minister of War. By that the right to a pension is acquired after twenty-five years of service on reaching fifty ; the first condition, however, is sufficient if the workman be discharged by the Government, or if he has become unfit for work. There is another smaller pension, granted to any one who, after eighteen years of service, becomes unfit for work. The pension must not be less than three hundred francs, or more than the salary for his last year of work ; an increment, moreover, of one-third is granted to any one who has met with a serious accident during his period of service ; and, lastly, those who do not make more than three hundred francs per annum get a maximum pension of two hundred. Returning to the National Fund, and leaving its principle out of discussion, it cannot be said that its organization is not defective, and this (a point we have no wish to raise here) is best shown by the small number of operations, which can be tested by the figures we subjoin. If it had been founded upon right principles, and had performed its functions properly, it would have had to meet many needs, and would have been participated in by many people.

Here are the figures beginning with August 19, 1884, the day on which operations were begun, up till December 31, 1890 :—

Year.	Number of Insured Workmen.
1884	1,663
1885	12,524
1886	35,678
1887	45,536
1888	64,366
1889	82,705
1890	102,000
Total	344,472

Here we have, it is true, a progression, in a certain sense, of importance ; but in an institution of such a kind, 344,472 workmen are too few.

In writing about the country which has become notorious in the matter of emigration, a few figures will say more than any other statement.

In 1878	there were	18,000	emigrants.
1879	„	40,000	„
1880	„	38,000	„
1881	„	42,000	„
1882	„	69,586	„
1883	„	79,149	„
1884	„	54,409	„
1885	„	96,575	„
1886	„	88,229	„
1887	„	153,552	„
1888	„	227,238	„
1889	„	155,009	„

That is to say, 1,061,747 Italians have left their country in twelve years ! The problem, then, is forced upon us more than ever now ; but even so far back as 1879 and 1884, votes were taken at the central meeting of the Statistic Society, though merely with a view of ascertaining the views of its members. It was proposed that emigration, to which formerly only a few schedules in the Public Safety Act were devoted, should be regulated by a special law, which was forthwith demanded. Thereupon, inspired by a wish keenly felt throughout the country that Italian emigration should be better protected, and withdrawn from the possibility of evil practices and deceit, men of mark in both Houses suggested special provisions with this aim in view. Finally, the Congress of Economists at Milan (1875) adopted an order of the day, demanding directly a law which should protect emigration while leaving it unfettered.

Urged on by these votes, the Government in 1876 brought forward the draft of a bill leaving the protection of emigrants as regulated by the code of Mercantile Marine, and pointing to a project of reform in the Law of Public Safety ; but the idea was abandoned. In 1878, the House took under its consideration two new drafts brought forward by Parliament, in connection with which the necessity of a special law on emigration was shown ; but these, too, shared the lot of so many good beginnings, as later did others of a like character under the nineteenth and fourteenth sessions.

But neither these votes nor the repeated demonstration of the necessity of a special law relating to emigration, brought into notice by eminent men on the Agrarian Commission, were sufficient to secure it ; for it seemed sufficient to the Government that emigration should continue to be regulated by the few clauses relating to it in the various bills upon the public safety, which were frequently presented in the House.

It was only, at last, in 1887, when attention was called to it by the unwonted solemnity of the king's speech at the opening of Parlia-

ment, that the Government took the trouble to satisfy the requirements of public opinion and of the votes of the chamber, and, without much delay, a bill was presented, dealing with emigration, on December 15th.

This bill, which aims at merely protecting the emigrant, and hence starts from the non-formulated presupposition of a wider liberty in emigration, satisfied with the fulfilment of certain obligations towards the country, contains but few clauses, which may be summed up as follows : obligation of holding a Government licence in order to pursue the vocation of emigration agent ; securities to be given by agents ; penalties for clandestine operations or those carried on by agents not furnished with a licence, or for abuses and misconduct on the part of those who have been so authorized by Government.

It will appear strange to any one who has but a small idea of what Italian emigration really is, or who knows merely by hearsay what the grievous or disgraceful abuses are to which it gave rise, that the bill should have been limited to these considerations. Now, this bill was subjected to especially severe criticism, because it seemed to those who opposed it that the burdens, securities, and penalties which it suggested enforcing on emigration agents were excessive, and that it also left excessive powers in the hands of Government ; that it was a mistake to give up all the economic part of former bills. This criticism gave food for thought to the Parliamentary Commission, which was entrusted with the examination of the bill, so that it substituted later a bill of its own. This, inspired with wider views than the Government measure, was summed up in the single formula (the one point at which it aimed) of complete liberty both for the emigrant and the agent. After proclaiming the liberty of the emigrant, except in so far as it required him to fulfil certain obligations towards his country, it proceeded to formulate the securities with which it intended to protect and regulate the liberties of the agent, limiting itself to much lighter pains and penalties than those suggested in the Government bill.

This second bill was approved with certain amendments by the House, and became law December 23, 1888 (No. 5866 On Emigration). By this bill all are free to emigrate ; apart from certain obligations exacted from citizens by the laws, all can enroll emigrants, and act as emigration agents, provided they be furnished with an agent's licence from the minister, or by a sub-agent's licence from the prefect—and to obtain this, one must be an Italian subject residing in Italy, of age, with a clear criminal record, neither a priest nor a Government employé ; must give security to the amount of three thousand to five thousand francs, which shall serve as a guarantee for any losses suffered by the emigrant through the fault of the agent, and indemnify him therefor.

Finally, whoever acts as an emigration agent without a licence, or whoever, being a recognized agent, acts contrary to the minute instructions prescribed by the law for emigration contracts, is to be punished with from one to six months' imprisonment and a fine of five hundred to five thousand francs.

With this and other measures, which it would be too long to reproduce here, it was the intention of the legislation to protect those unfortunates who go to seek a kindlier fortune beneath other skies, and who, to emigrate from their country, have to pass through the Caudine Forks, guarded by those harpies known as emigration agents. The intention was certainly excellent, but there is serious cause to doubt if it will attain its object until the first and principal cause of emigration can be removed, or at any rate diminished,—I mean, poverty.

There have been many acts of Government and many attempts at legislative intervention which have sought in another way to reach the same goal—and among these I would specially mention, as having some analogy with the emigration scheme, a bill for internal colonization, due to Signor Crispi, which has never as yet found expression in concrete terms, and very likely never will.

Perhaps, before closing every other approach to the subject, it will not be wrong to mention the fact that, through the instrumentality of Signor Maffi, working-men's candidate, a bill was considered in the sitting of the House on March 6, 1890, for the foundation of *Collegi dei probi viri* (Boards of Arbitration). This was discussed by a committee of the House, modified in some of its articles, and then presented to the House at the sitting on May 22, 1890. By this bill discussion on labour contracts, and the controversies that arise from them, would be entrusted to a board of arbitrators composed half of contractors and half of working men, presided over by a *pretore* (judge of commission). But we will return and deal with this more fully, as it deserves, when it has been safely brought into port across the stormy sea of the Italian Parliament.

Amongst more permanent reforms was that of the old law of the Charity Commission, August 3, 1862. The reform was announced in the speech from the throne at the opening of the last legislative session, and in the sitting of February 18, 1889, the Minister Crispi presented a draft of a bill dealing with public charitable institutions.

To reach this bill the road was a long one; once the kingdom had found its political unity, an attempt was made to attain a unity of administration, and hence in this work was included the reduction to one system of all the various types of public charitable institutions. This was the aim of the law of August 3, 1862, modelled on that of

November 20, 1859; which, however, owing to the condition of the times in which it was made and the little knowledge of each other that the representatives of different parts of the country possessed, turned out less perfect than was wished. Now, its imperfections, specially those relating to the wide autonomy granted by it to administrations of charitable works, becoming more and more manifest on many occasions, both in the National Charity Congresses, specially those of Naples, 1879, and Milan, 1880, and in the papers, and in Parliament, proved the necessity of reform. Hence the Government, after having attempted to remedy this in some ways with circulars and instructions from within, arrived at the idea of radical reform; and, after having entrusted to a commission, in 1876, the duty of conducting an investigation into the condition of charitable institutions, the Minister Nicotera was the first to draw the draft of a bill, which he presented on December 1, 1877, to the House; but the bill was forgotten after the fall of the ministry. After him, the Minister Depretis nominated, in 1880, another Royal Commission to hold a new investigation, but it only presented to the House, on December 7, 1880, a bill to modify certain articles in the bill of 1862, and rectify some of its more glaring defects; a measure, however, which was abandoned. The above-mentioned commission finished its labours on January 18, 1889, and presented to the minister, together with a long report, a bill proposing reforms upon the basis of the results of the inquiry. From these one gathers that the charitable institutions in Italy, exclusive of Monti di Pietà, Monti Frumentari, and funds for agrarian loans, amount in all to 21,726; their gross capital comes to 1,721,582,260 francs; the increase of their capital between 1861 and 1880 may be calculated at a rate of 45·70 per cent.; but, taking into consideration certain charges, the net capital is reduced to 1,510,616,807 francs. The gross interest of this capital amounts to 134,780,504 francs, out of which they have to expend about forty-two millions on temporary and perpetual charges, duties, taxes, expenses of management, and worship, so that there remains an interest available for charitable purposes of 93,253,966 francs.

The greatest expenses are those of management and worship: the former present an average of 19·22 per cent. of the interest, varying from a minimum of 11·89 per cent. in Piedmont, to a maximum of 28·47 in the Marches; the second present an average of 6·82 per cent., varying from a minimum of 2·96 per cent. in Piedmont, and a maximum of 20·99 per cent. in Campania. From the proportion between the gross and net interest, one finds that the latter corresponds to 54 per cent. of the gross; and, between the gross and net revenue from all sources, one

finds that the latter corresponds to 70 per cent. of the former. The proportion, then, between the revenue to be expended and the population represents an average of 3·25 francs for each individual.

The bill elaborated by the Royal Commission was later accepted by Signor Crispi, who only accepted their report in part, and formulated a bill, which he submitted to the approval of the House. The latter modified in some points, and those important ones, the ministerial measure, and finally approved of the new law upon Charities, dated July 17, 1890 (No. 6972). By this law, those charitable institutions which have failed in their object, or whose object no longer is in sympathy with the interests of public beneficence, or which have become superfluous because full provision has been made for the object at which they aimed in other ways, are subjected to alteration, which, while departing as little as possible from the intention of the founder, corresponds with an actual and lasting interest for public charities in the Provinces and Communes, and in those portions of them for which the institution as altered was intended ; the following points, then, have been subjected to alteration :—

(1) The dowry for the investment of nuns.

(2) Foundations for those in prison and criminals, which are to be converted into foundations for those who have been let out from prison.

(3) Hostels for catechumens, in so far as they have abided by the original intention of their founder.

(4) Seminaries not aiming at the education of youth, hostels for pilgrims, retreats, hermitages, and institutions having no civil or social aim.

(5) Confraternities, brotherhoods, congregations, and other like institutions, with regard to which the above conditions have been proved.

(6) Charities for religious purposes, legacies left for the saying of masses, and the like.

By this law not all people are allowed, as they were by the preceding law, to take over the administration of charitable works ; nay, further, the disqualifications are precisely mentioned (art. 11) ; the annual balance-sheets of such works must be presented to the provincial administrative council (arts. 19 and 36) ; sums in excess of ordinary requirements must be put out to interest in the post-office savings-bank, or some similar establishment, to be approved by the afore-mentioned council (art. 23) ; landed property must be let, the labourer maintained in accordance with local custom (art. 27) ; sums to be invested are to be invested in Government funds, or other funds recognized or guaranteed by the State (art. 28). The Minister of the Interior has

the supreme control of public charity (art. 44). All eleemosynary institutions, all institutions for public charities existing in the commune with an income of not less than five thousand francs, are concentrated in the Charity Commission (keeping the while their own separate administration *in toto*), when their main capital, or their *raison d'être*, or the special conditions under which they exercise charity, does not require an administration distinctly separate. The same applies to public charitable institutions of any kind for the benefit of inhabitants of one or more communes, which together possess less than ten thousand francs, public charitable institutions extant in a commune which have failed, or those for which no administration or representation can be arranged owing to a defect in the dispositions made by the founder (arts. 54 and 55). These are the principal points of the reform, which substitutes for a very considerable independence in the management a rigid inspection and guardianship from the Central Government, and, while touching boldly the end and scope of many good works, it has rid the country of those which, recalling as they did times which are fortunately past, placed a stumbling-block in the way of society and progress, and made an unpleasing contrast to the new forms of benevolence and the enlightened system of the provident societies of modern times. The law is undeniably a bold one, and raised a strong opposition in both Houses of Parliament, while also exciting a feeling of hostility in those classes which thought and still think that their convictions are offended by it. It is, however, now a *fait accompli*, and we shall see how it works.

Before the unity of Italy its industrial map was split up into as many parts as its political map, and the tariffs of the various Italian "statelets" were all more or less high, and some of them prohibitive. The tariff of the kingdom of Sardinia was the least severe, and the reason of this was that, at the time that the tariff was put in force throughout all the provinces of the new kingdom, Sardinia had already felt the salutary influence of the more favourable customs reform which Count Cavour had initiated as far back as 1846. In fact, after going through alterations and modifications in 1838 and in 1840, the old Sardinian tariff of 1818 now felt the effects of the radical reform of 1851—to Cavour's credit, let it be said, since he realized in action the scientific faith that he held in his heart, and so in the memorable law of February 16, 1854, abolished entirely the duty on corn. As soon as the highway for liberal reforms had been thrown open in the years just mentioned, as well as in 1856, the tariffs for manufactured goods were graduated and reduced numerically, so that it may fairly be said that the new direction taken by the customs legislation of the

Government of Piedmont prepared the ground for the well-known treaty between France and Italy of 1863, while it also determined its character. It was, in fact, on the 17th of January, 1863, that the new treaty was signed with France by which the latter opened out freely its markets to Italy. This was hailed as a true triumph of liberal principles, and as a great political event ; and rightly, notwithstanding the sacrifice of certain forms of industry which had up to that time been kept going in the forcing-house of protection, and notwithstanding the opinion of the present directors of our fiscal policy, who pretend that the reform was premature.

The Franco-Italian treaty was indeed nothing but the product of the general conditions of Europe, and of the conceptions which then prevailed ; the impetus given in the direction of the reduction of customs in the ten years, 1860–1870, was at the time universal, and Italy naturally felt its influence. But while the hardy economic organization of other countries was gaining by this new state of things, Italy, the inheritor of so many disasters and misfortunes, thought that it ought to demand a greater revenue also from its colonial products ; and so the first impetus towards a different policy was given by her financial difficulties. Even as early as 1864, cereals and flour were subject to "weighing dues" (*diritto di bilancia*) ; while in 1866, cereals and flour were again included in a new tariff which introduced a true protective duty which served as the basis of the duties of the years 1887 and 1888, whereby it was attempted to restore the balance, and to modify the crisis in corn prices. In the same year, too, a duty of 38·50 francs per quintal was laid on silks, while the dues were again renewed, and made to press more heavily on fifty-four imports and on fifty-seven exports that were free from the terms of commercial treaties.

Having thus reached the third period in the fiscal vicissitudes of Italy, a purely financial period which succeeded to the reforming period of Cavour, with its treaties devised on liberal lines, we now come to the treaties with the Austro-Hungarian Empire and Switzerland. The first of these was important on account of the political questions therein involved (the date, let it be noted, is 1867) ; and the second, because it gave the Italian Parliament the opportunity of voting for the Commission on Industries, which was the prelude of the fiscal reforms of 1878.

The Commission, which began its labours in May, 1870, under the presidency, first of Scialoja, and afterwards of Luzzati, tended to restore the new customs *régime*, as we see it in the general Italian tariff, passed in May 30, 1878, as well as in the tariffs resulting from

the treaty with Austria; with France, November 3, 1881; with Switzerland, March 22, 1883; with Germany, May 4, 1883; and finally with Spain, June 2, 1884. The fundamental idea of this new state of things was to unite economic and financial principles, and to wring from the customs a larger public revenue. The result was obtained: for the customs returns on the importation of coffee, sugar, alcohol, and petroleum increased in the decade between 1878–87 from 58 million francs to about 145 millions; while the distillery duties, on undergoing rational reform, increased from about 2 million to 30 million francs. The subsequent reform of 1878 corrected the policy which had up to that time been followed with regard to export duties, which had been heedlessly multiplied in the provisions of 1866. The list of these duties was considerably reduced; and we must, indeed, bear in mind in this connection that a law in 1881 absolutely abolished all export duties on cattle. This was done by way of retaliation to the French tariffs, which were already beginning to show a grave hostility to our country. The purpose of the general tariff of 1878, and of that of the convention modelled upon it, was undoubtedly financial; but through this may be seen the desire which existed to offer to the goods manufactured in Italy, and more especially to textiles, a greater protection than the former fiscal policy on liberal lines had afforded. Was this object obtained? It is said that the moderately protective policy which has now (since March, 1888) come to an end, was not without good economic results; but, on the other hand, the not indifferent sums which came into the Treasury from the duties on industrial products under this tariff,—the consequent demands of the industrial classes, who imagined that they saw in this fact a proof that the dues were too low, while they forgot the concomitant action of the general fall in prices,—would seem rather to prove that the opposite is the case.

The fact really is this, that when the pretended benefits of this moderate protection of industries were about to be tested, foreign goods were pouring into the country at such prices that all efficacy was taken away from the customs house duties, compensated as they were by the fallen value of gold, while at the same time the Italian industrial classes were with one voice giving the signal of alarm.

Naturally the protectionists in Parliament made the most of these manifestations, and, in 1883, when the Government demanded a partial revision of the tariff with the object of obtaining an increased fiscal entry by customs house duties on a few of the manufactured products, the House took advantage of this, to demand that new Customs Commission which effected the last reform of 1887. The labours of this Commission may be summed up in two Reports—one, written by

Senator Lampertico, dealing with the agrarian side of the question; and the other, dealing with its industrial aspect, compiled by the Deputy Ellena. The first of these, contrary to the general expectation of the country, came to conclusions based on liberal lines; while the second, though not quite openly perhaps, suggested a breaking away from the former policy, and advocated a large measure of true industrial protection. The Parliament accepted these latter proposals, and, in spite of the words of Lampertico, was moving boldly in the direction of agrarian protection. The whole tendency, therefore, of the new reform which came into law July 14, 1887, was frankly protectionist.

We were not the only people who took the retrograde step of returning once more to protection; and this is the comfort that Italian *fair-traders* take to themselves. And if the event has given them some crumbs of comfort, it is easy now to see how this is. The well-known economist, the Marquis Vilfredo Pareto, has given us the following proofs :—

(1) Protection has diminished the foreign trade of Italy, and has checked considerably Italian exports. Here are the figures :—

ITALIAN TRADE (EXPRESSED IN MILLIONS OF FRANCS, AND NOT INCLUDING PRECIOUS METALS).

Protection when it was Stationary.

	1873.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.
Imports ..	1·062	1·252	1·187	1·240	1·227	1·288	1·320	1·460	1·456
Exports ..	1·021	1·072	1·104	1·165	1·152	1·186	1·071	·950	1·028
Total ..	2·083	2·324	2·291	2·405	2·379	2·474	2·391	2·410	2·484

Protection Rampant.

	1888.	1889.	1890.
Imports	1·175	1·391	1·317
Exports	·892	·951	·876
	2·067	2·342	2·193

The facts that result from these figures are indisputable, says Pareto. Exports from 1878 to 1887, if we except one year, are well maintained, and amount to more than one *milliard*. After that, and quite suddenly, from 1888 onwards, the amounts fall and never rise again. What, then, is the reason? This may be very simply answered—With the pretext of protecting national manufactures we have ruined our export trade.

(2) Protection has considerably injured the exportation of Italian wines, and generally of agricultural produce. Here are the figures, giving the exportation of these wines in hectolitres :—

	1886.	1887.	1888.	1889.	1890.
With France	1·850	2·783	·817	·172	·019
„ England	·031	·045	·070	·030	·023
„ all countries ..	2·331	3·582	1·802	1·409	·904

Hence it was not only the rupture of the commercial relation with France that injured Italy. England has not increased the duties on Italian wines, and nevertheless the exportation of these into that country in 1890 comes to about half the amount exported in 1887. The true reason for this may be found in the internal economic conditions of the country. Protection has caused a general languor ; it has diverted capital which was hitherto employed in the production of wine, and so that branch of trade is ruined. The export figures in other agricultural products tell the same tale.

EXPORTS (EXPRESSED IN THOUSANDS OF QUINTALS).

	1886.	1887.	1888.	1889.	1890.
Olive oil	648	641	524	553	378
Flour	53·2	47·7	33·4	9·4	9·6
Corn-pastes	42	17	11	6	6
Cattle, horned (in thousands of heads) ..	49	34	25	26	22
Sheep and goats (in thousands of heads)	110	102	54	52	38
Poultry (in thousands of hundredweights)	72	64	58	56	56

(3) But this is not all : there is something even worse than this. By the afore-mentioned tariff the pretension was that manufactures were protected, but the subjoined figures will show that protection has actually diminished their exportation too.

Exports.	1886.	1887.	1888.	1889.	1890.
Packing paper (in thousands of quintals)	41·8	47·2	35·8	39·7	37·6
Bricks, tiles, etc. (thousands of tons) ..	73·0	69·2	59·7	55·5	56·9
Velvets (value in thousands of francs) ..	699	519	413	264	146
Silks „ „ „ ..	14·443	—	—	—	8·089
Barrels „ „ „ ..	1·278	—	—	—	·801
Wood and straw „ „ ..	54·335	—	—	—	34·563
Glass-work „ „ ..	5·408	—	—	—	3·766
Matches (in quintals) „ ..	13·011	—	—	—	8·918

The same is true with many other forms of products, and the Marquis Pareto has extended his analysis still further, to prove that protection has checked production, has crippled the internal trade of Italy, and has increased the poverty of the working-classes in proportion, as it has checked the consumption of bread, maize, and other food. From all this the fact comes out clear and indisputable, that protection is fatal to our country.

Angelo Bertolini.

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NOTES AND MEMORANDA.

Émile de Laveleye.—By the lamented death of Baron Émile de Laveleye, the famous Belgian publicist, Professor of Political Economy in the University of Liège, Christian Socialists and liberal reformers have lost one of their most influential teachers and sensible advisers. Few continental publicists are so well known to English students. His most popular works have been translated into English; and to most cultivated Englishmen he will be best known by his *Elements of Political Economy*, and his works on *Socialism of To-day*, and *Primitive Property*. M. de Laveleye may, perhaps, be more familiar to many as a liberal politician, who not only wrote on the claims of the Papacy or the Bulgarian question, but took a practical interest, and exercised some personal influence in the burning controversies of European politics. But readers of the *Economic Review* will be interested, not so much in the views of the politician about the political present and future of Russia or Austria or Italy, as in the opinions of the Professor of Political Economy about his own particular science, and the great social problems towards the solution of which it furnishes the economic data.

In his treatment of Economics, Laveleye differs to some extent from most English economists. In opposition to those who limit the science to the economic side of modern industrial phenomena, he lays most stress on "the moral and political side of our science." He objects to the abstraction of the economic aspect of the business of daily life from the moral and social. He says that Ethics is the science of the good, Political Economy the science of goods, "la morale en action." He distinguishes between true and false wealth, true and false wants, true and false value. The end is the complete and harmonious development of all our faculties. He only recognizes as true or rational wants those directed to this end; as true riches having real value, wealth which satisfies rational moral wants. As an economist he defines Real Wealth as those goods which satisfy a rational want, are justly distributed, and consumed in moderation; thus excluding luxuries.

The object of Political Economy, says Laveleye, is to investigate

the laws, which ought to be adopted in order to produce an abundant production, a just distribution, and a healthy consumption of goods, which satisfy rational wants. In this view of the scope and object of the science he is at one with Mr. Ruskin, and at variance with the more scientific position of Mr. Mill. He confuses the ideal of what ought to be the economic structure of society with the scientific analysis of what actually is—the science of economics with the aims of ideal politics. The economist, he says, does not simply analyze facts, but does so with a view to deduce the laws and ideas which men ought to adopt to arrive at well-being and perfection. However, Laveleye agrees with most economists in all the main points of economic analysis. In the detailed treatment of his subject he practically goes no further than Mr. Cliffe Leslie, who is followed by many modern English economists, in paying more attention to consumption and the study of the moral value of different motives, desires, and wants.

As a critic of Socialism, distinguishing between the true and false in the many and varied opinions and proposals included under that general term, Laveleye merits more attention than has hitherto been accorded to him. *Le Socialisme Contemporain* is the most readable, just, and sensible exposition and criticism of socialistic theories yet written. The author himself is a "Socialiste de la chaire;" belongs to that school which makes political economy a moral science, considers that unrestrained competition leads to iniquity and spoliation, holds that the due regulation of individualism is the mission, first of moral education, then of the State, bases its proposals on the study of history and economic progress, and takes as the two chief points in its programme a more extended intervention of the State in the economic world, and the moral and intellectual elevation of the toiling masses. "Organisez la responsabilité par les lois Sociales," "Dissipez l'ignorance, et extirpez les erreurs," are M. Laveleye's words. He abhors all forms of revolutionary and extreme Socialism. He would encourage all that heightens moral responsibility, calls forth energetic action, and strengthens the incentives to work and to save. The creation and preservation of capital, he says, makes imperative the institution of heredity. He would, therefore, strengthen, under a system of just laws, the motive of self-interest, and retain private property, the right of bequest, and true industrial freedom. He would not shift the responsibilities of the individual on to the State, but would rather have the State enable the individual to fulfil his own personal responsibilities better. M. Laveleye believes in State interference; he is a rational Socialist, an opponent of all false Socialisms.

Perhaps the characteristic which will most commend *Le Socialisme Contemporain* to readers of the *Economic Review* is its hearty appreciation and sympathetic study of Christian Socialism on the Continent.

Of the practical movements for the amelioration of the conditions of labour to which Laveleye gave his support, two may be specially mentioned—moral and economic education, and profit-sharing.

Ignorance, he says, is the chief cause of all our ills. Peace, justice, and brotherhood being the interest of all, in proportion as this truth shall be more clearly perceived, the cause of adversity will disappear. If you desire the well-being of men, dissipate ignorance, extirpate errors.

As to profit-sharing, he holds that the solution of the labour question consists in the union in the same hands of the three factors of production. Let the labourer buy a share in the Industrial Company which employs him, and the problem is solved. The most efficacious means to stimulate labour, and ameliorate the lot of the labourer, is to add to wages a certain share in the profits. In a word, though believing in the moral function of the State to regulate industry on just principles, M. Laveleye is an individualist first, a rational Socialist afterwards. To him the ultimate aim of State-interference is to increase, not to lessen responsibility ; to encourage, not to discourage intelligent self-help, and enlightened self-interest. His ideal is the responsible performance of individual duty, enlightened by moral training and scientific education, organized under a system of just laws.

J. R. Shortt.

The Strike of the Durham Miners.—In July, 1889, the wages of the Durham miners were 5 per cent. above standard rates. They continued steadily to rise until, in January, 1891, they were 35 per cent. above standard rates. The masters contend that this increase was given in the expectation of such a rise in prices as never actually took place. The men say the successive advances in wages were never fast enough to overtake the rising prices. On April 25, 1891, the Owners' Association began to seek a reduction in wages, at first demanding a 10 per cent. reduction, and finally (February 20, 1892) suggesting either 7½ per cent. immediate reduction, or 5 per cent. immediate, and 5 per cent. on the 1st of May. Meanwhile the coal-owners of Northumberland, after asking for a 10 per cent. reduction, had compromised on 5 per cent. ; while, in Durham, no reduction was sought by owners not belonging to the Durham Coal-owners' Association. It is also to be noted that the Durham Coal-owners' Association offered to consider any proposal, for an immediate reduction,

which the men might make, or to submit to open arbitration the question of what change in wages ought to be made ; but the men refused arbitration, declined to allow their leaders to negotiate, and voted against accepting any reduction. The coal-owners, therefore, on the 27th of February gave their men fourteen days' notice : thus the coincidence of the commencement of the Durham strike, with the stoppage ordered by the Miners' Federation of Great Britain, was due to the action of the Durham masters, not of the Durham men.

As already stated, the men refuse arbitration, negotiation, or compromise. They declare, in their own words, "that the owner's demand for a reduction of wages is unjust and entirely uncalled for ;" and, rather than allow the water to be pumped out of a mine, they have stopped the supply of water (derived from the mine-pumps) to Houghton-le-Spring and seven villages.

It is not uncommonly said that the strike is the work of the unmarried miners who want a holiday, and do not know what a strike entails. But this view seems hardly tenable in face of the fact that, under the rules of the men's union, two-thirds of the members of the union must record their votes in favour of a strike before a strike can take place. The simple reason of the strike seems to be that the men are resolved that, if prices fall, the loss shall come out of profits, or else out of rents, royalties, and way-leaves. Hence there is no room for arbitration.

It seems rash to say *à priori* that the loss cannot be thrown on to profits. If the owner's capital were free, doubtless he would re-embark it in another venture rather than accept less than the current rate of profit. But the owner's capital is sunk, and it may be that he will accept less than the current rate, rather than lose all—just as the working-man will accept insufficient wages rather than starve outright. And if an employer is justified in saying that it is no business of his to ascertain whether the wages which the labourer will work for are sufficient to keep body and soul together, why should the miner concern himself whether profits in the coal-trade are below the current rate ?

Nor can it be said to be impossible to throw the loss of a falling market, to a certain extent, on to rents, royalties, and way-leaves. As a matter of fact, rent, in one instance, has gone down 50 per cent. And, if they had the choice, the men would rather the loss came out of royalties and way-leaves than out of profits. The injustice of which the miner complains, he finds in way-leaves and royalties. The strike, I should say, is the miner's attempt to solve the land question as far as it affects him.

F. B. Jevons.

The Conditions of Labour in Russia and Holland[1] offer a most instructive contrast. Let us, as far as we can, tabulate the results.

Russia.	Holland.
Autocratic restraint.	Laissez-faire.
No trades-unions allowed.	No trades-unions organized.
Strikes mainly repressed by authority.	Great strike in 1889, defeated by outside labour: results disappointing.
Wages too low, as a rule, to allow saving.	Great differences and fluctuations in wages; the power of the stevedores unhappily exercised.
Immense differences in hours; average day, perhaps, twelve hours.	Great irregularities in hours; average day, perhaps, twelve to fourteen hours.
Great irregularities in rest; no law as to Sunday labour; nineteen legal holidays in the year.	Great irregularity in hours of rest; Sunday labour more limited *since the* 1889 *strike.*
Very rare extra bonus.	Gratuities very seldom granted.
Wages so low that nobody immigrates.	Wages kept down by an over-stocked "free" labour-market.
No custom as to pensions; no sick insurances save in some large factories; rare medical aid; letter of law barely obeyed.	No obligation as to insurance on the part of the employer: workmen's funds sometimes supplemented by employers.
Total absence of safeguards against accident.	
Fortnightly notice compulsory on masters and men.	No agreement as to work, as a rule.
Monthly labourers must be paid once a month; indefinite employment, at least once a fortnight.	Wages paid at end of job, and not at fixed periods.
By the law of 1886, differences compulsorily settled. No reports of strikes allowed.	Relations between masters and men very unsatisfactory, owing to middlemen largely.
Workmen "severely treated," but masters also fined.	"A gloomy picture."

The impression, on the whole, created by the two reports—the one of what is called freedom of labour, the other of the enslavement of labour—is that the Russian has rather the best of it. There are inspectors with definite powers and duties; there is land behind the peasant-artisan in most cases under the communal system; there are some remarkably interesting associations of artisans, with much valuable autonomy, which fix penalties, distribute common funds, help the poor and sick, and exercise a certain control over the work in workshops, and over foremen

[1] 1. *Report on the Condition of Labour in Russia.*
2. *Report on Evidence taken by the Dutch Labour Commission on Dock Labour* [Foreign Office Miscellaneous Series. 1892. Nos. 217, 220. 1½*d.* each].

and apprentices. There are also associations, called Artels, of workmen who live, feed, and work together, and divide profits. They are found in rural life, given to co-operative farming on a small scale. There are also Artels of tobacco-growers, shepherds, postmen, loans, meals, and insurance. The Slav seems to have something to teach his working British brother. It is worthy of note that, notwithstanding the communal system of land, the landless proletariate, of which the Russian has a great horror, is growing.

The picture in Holland is not flattering to the system of "free labour." The master capitalist does not come well out of it: he is making money; and so is the middleman, by the "great natural law of supply and demand." The cause of the drink-fiend, too, is being actively promoted, with the usual disregard for law.

It is right to notice that some of the evidence is impugned—not, seemingly, by her Majesty's Minister—as being too highly coloured. The dock labourer is said to be better off than skilled workmen in local industries. So much the worse, we should say, for the skilled workmen. But there is hope. Social questions are being taken up, and treated with "all the earnestness and conscientiousness which rank among the most sterling qualities of the Dutch character."

We see, with pleasure, that the great Dock Strike of 1889 did do something for the men—all, it seems, that has been done; and that this was in part due to the action of the English leaders.

T. C. Fry.

What is One Pauper?—In the discussion now proceeding with regard to old-age pensions, it seems to be very generally assumed that the number of paupers in the country is the number of different individuals relieved in the course of one year. Why?

Is not the number of persons in receipt of relief on a typical or average day of the year much better entitled to be considered the number of paupers? If Brown received relief from January to March, Jones from April to July, and Robinson from August to December, 1891, is it not more correct to reckon Brown, Jones, and Robinson as one, and not as three paupers? The fact that all three are alive at the same time does not make them all paupers when only one of them is a pauper, and if it did, we should have to reckon in Smith, who received relief in 1890 and 1892 but not in 1891. There is no peculiar virtue in 365 days, or the period in which the earth revolves round the sun.

The truest index of the amount of pauperism in a particular year would be the number of what, on the analogy of foot-pounds, we might

call the number of "day-paupers," *i.e.* the number of one-day's relief given in the course of the year. If in 1890 A is relieved 300 days, B 65 days, and C 365 days, while in 1891 A is relieved 150 days, B 100 days, C 90 days, and D 25 days, it would certainly be truer to say that the pauperism of 1890 was double that of 1891, than to say that it was only three-quarters of that of 1891, as it would be if measured by the number of individuals relieved in the year. We cannot, as it happens, get the number of day-paupers for 1891 and 1890 directly, but by taking a fairly representative day in 1890 and a fairly representative day in 1891 (not necessarily the same calendar day) we practically get the number of day-paupers for the two years divided by 365, and this is of course as good as the number itself.

With regard to old-age pensions, statistics of pauperism might conceivably be used for two purposes: (1) to compare the amount and burden of pauperism among persons over a certain age with that among younger persons; and (2) to show what proportion of persons who have not been paupers before become paupers when they grow old. The first of these purposes can be best attained by comparing the number and proportion of persons over a certain age, let us say 65, in receipt of relief on a particular day—in this case almost any day will do—with the number and proportion of persons under 65 in receipt of relief on that day. This is surely better than comparing the number of different persons over 65 who apply for relief in the course of a year, with the number of those under 65 who do so. The old man, Smith, who is on the parish all the year round, ought surely not to be reckoned as equal to young Jones who obtained relief for a week. The second of the two purposes, namely, to show what proportion of persons who have not been paupers before become paupers when they grow old, cannot be discovered by comparing the number of persons over 65 who receive relief in the course of a year with the population over 65, any more than by comparing the number of persons over 65 who receive relief on an average day with the population over 65. Every single person who lived to be 65 might conceivably become a pauper before he died, and yet the proportion receiving relief in a year might be a small one.

Finally, it must be pointed out that, strictly speaking, it is illegitimate to represent the number of persons of a certain age receiving relief in the course of a year as a percentage of the population of that age. It can only properly be represented as a percentage of the persons who were of that age in the course of the year, a somewhat larger number than the population, which is of course the number of persons living at a particular point of time.

E. Cannan.

Profit-sharing.—A note on the profit-sharing scheme of Messrs. Clarke, Nickolls, & Coombs, Limited, in the *Economic Review* of April, 1891, ended with these words: "Its subsequent progress will be watched with interest." Another annual meeting, the fifth, has now passed, and the report and balance-sheet must not be lost sight of.

The same hopeful tone pervades them now as in 1891, and they disclose an almost identical state of things. After paying 6 per cent. on the preference shares and 10 per cent. on the ordinary shares, there remains a sum of £1400 (as last year) to be placed to the credit of the work-people, either in cash bonuses or in the provident fund account. The chairman, Mr. George Mathieson, sketched at the meeting his plan for dealing with the latter important part of the scheme. The present balance is to form the nucleus of a Superannuation Fund, which, at the present rate of prosperity, will be able four and twenty years hence to be paying the sum of £25 a year to more than forty persons. This looks well for those who are able to remain continuously in the company's employ. But Mr. Mathieson does not forget that there are others who, through no fault of their own, will leave, and suggests that some modification of the German system might meet their case. By this they would be enabled to participate to a certain extent in the benefits of the Superannuation Fund on proving so many years of steady work for other firms. This is, at any rate, a courageous attempt to face one of the primary difficulties of any scheme of old-age pension that is partial or local.

Mr. Mathieson points out, further, another important hope that springs up in connection with such a fund, when it is invested, as in this case, with the company. In time, the work-people as a body may come to own the whole business, which thus would pass from the range of profit-sharing to that of co-operative production.

This is indeed an attractive future: co-operative production, beginning from the very beginning, has many a difficulty to face; but, begun thus, it could hardly fail to go on prosperously.

Meanwhile, the present state of Messrs. Clarke, Nickolls, & Coombs gives equal cause for congratulation to shareholders and work-people alike. It also ought to do much to encourage others to follow their lead.

It is interesting at the same time to turn to the experience of another firm of equal standing and similar methods, though their business is of a different nature—Messrs. William Thomson & Sons, of Huddersfield.

In spite of the depression in the woollen industry this firm finds itself in a position to pay tenpence in the pound to labour on the wages of the year, as well as fivepence in the pound to the consumer on all

Co-operative Purchases above £50. Here, too, an Assurance and Pension Fund forms part of the scheme, but nothing is as yet projected to reconcile the fixity of the Pension Fund with the migrations of labour.

Another interesting point is the way in which the firm is being drawn more and more into dealing with societies for co-operative distribution. There is a natural affinity between these and the firms which profit-sharing is leading on to co-operative production, and a greater alliance between them should bring important results and much facilitate that delicate operation—the fixing of a just price. When co-operative stores become simply the distributing agents of co-operative manufacturers, there will then be some hope of a reasonable equilibrium between producer and consumer.

W. H. Frere.

The Conditions of Female Labour in Ontario.[1]—This is the first contribution to the series by a lady graduate. It examines the conditions of female labour, the women's unions, the prospects of the future, and finally gives a list of the Acts and Reports on which it is based, which date from 1885 to 1891. So far, Ontario's record is good ; in the United States of America, only Massachusetts and Ohio legislated before or in 1884, when the first Ontario Factory Act was passed. The legislation amounts to this : 1. Only *manufacturing* establishments, employing at least *six* persons, are dealt with. 2. No boy under twelve, no girl under fourteen, may be there employed. 3. No child under fourteen, no female shall work beyond, per day, ten hours ; per week, sixty hours : but a shorter Saturday may be arranged for by a longer maximum day. 4. Inspectors may order separate rooms for meals. 5. Children under above age may be employed in certain months in the fruit trade. 6. The hour for meals *not* included in the maximum day. 7. Inspectors have certain powers of overriding above rules. 8. Register of women and children kept. These are the chief regulations.

There is also a Shop Regulation Act, which gives for boys under fourteen, girls under sixteen, a maximum of seventy-four hours per week, including meals. The workers are to have chairs, and may use them, when not serving. There are, however, no inspectors of shops. In mines, no female whatever is allowed in or about them, and no boy under fifteen. No boy under seventeen works more than, per day, eight hours ; per week, forty-eight hours.

[1] *Toronto University Studies in Political Science.* W. J. Ashley, Editor. First Series. No. iii. By Jean Thomson Scott, B.A. Copies may be obtained on application to the Education Department for Ontario, Toronto.

Such is the legislation. But the smaller "factories," with less than five persons, which most need inspection, are ruled out of it. This number-limit should be abolished.

In 1881, it was found that in 465 factories over two thousand children under fourteen years were working, and nearly two hundred *under* ten years : there was no record kept, no education given ; the children worked adult hours. *Those who were benefited*, greedy and necessitous parents, resisted the change. What says the free-contract party to this ? But the evils of child-labour will not be cured till mercantile and mechanical establishments have been classed with factories. Few women in Toronto work sixty hours per week, and it is to be hoped that fifty-five hours may be adopted as the maximum. The adoption of Saturday half-holiday, admitting of a rearrangement of daily hours, would allow eleven hours per day—far too long for women : happily, it does not seem to be adopted with this condition.

The law "allowing an hour for meals" requires a change : it should "compel" an hour. Women take less, in order to leave early : acting as children, the State must so regard them. Nor does the law positively prohibit night labour *per se*. Switzerland, Quebec, the new English Act, order otherwise. It is hoped to amend the Ontario law. In millinery and dressmaking establishments, legislation is sorely needed : and not only legislation, but consideration from customers. The vanity of Sunday dress makes Saturday the busiest day for workers. Here is a case where we *must* legislate in advance of ordinary morality and sympathy.

In the large stores, nine hours per day is the maximum by custom : but in the small stores, work often goes on till 9 or 10 p.m. ; on Saturday till even midnight. If Friday were pay-day, customers at the small stores could shop earlier ; now they do not or will not : but custom can be modified by legislation. In office work the hours are not so long, and the shift system is more frequently adopted. Sanitary conditions are fairly enforced by inspectors in factories : but mercantile establishments need to be included. More inspectors are wanted. Women should be appointed to these posts as well ; in fact, they are a necessity.

Domestic servants are in great demand : as more employments open for women, their wages rise. Wages range from $6 up to $20 per month. Yet girls prefer the factory and the store : more independence, more companionship, less social difference—these are their grounds. There is much independence, however, and no permanence of service.

An analysis of miscellaneous employments gives as the lowest wage $1 per week to (nurses) $16 per week. A low average wage is $2 to $2.50 per week ; a better average wage appears to be $5 per week.

In cigar-making, tailoring, and as saleswomen, women compete with men ; their inferior strength is against them, and their average wage is lower. This is the chief reason for their employment. In office work they have largely taken the place of men, with the effect of lowering men's wages : they are ousting men from education and telegraphy, though in the latter, as a rule, their wages are lower. To a certain extent, this is true of the teaching profession ; but it is not just, as women remain as long and teach as well, if not better. There is no general employment of married women : if husbands are alive, there is no need for it ; if they are widows, they prefer and find work at home.

Women's trade-unions have been a comparative failure ; so in Canada and America generally have such unions had a more limited success than in England. The reason being, that both men and women are always looking forward to better their position, and have little sense of permanence. Besides, *esprit de corps* does not exist as yet amongst women. But women's clubs, for social, intellectual, and moral improvement, are more successful. Guilds, where the girls help themselves and the rich work with the girls, show signs of raising the condition of woman. Some sound and true anticipations of future good by means of these guilds are given.

The paper concludes with some sound suggestions, too, for an extension of legislation, most of which have been already noticed. English women, anxious to organize women at home, may read this paper with advantage.

T. C. Fry.

The Homeless Poor of London.[1]—At a special meeting of the council of the Charity Organization Society, held on November 10, 1890, a resolution was passed that a special committee should be formed for the purpose of inquiring into the case of the homeless poor of London. Representatives of all the principal refuges were invited to attend the meeting ; six of the nine chief refuges responded to the invitation. The inquiry divided itself into two parts—first, as to the line of action which should be adopted by the poor-law and charitable institutions in dealing with the homeless poor ; secondly, as to the question of co-operation between the various institutions.

The first step in the inquiry was to ascertain approximately the number of the homeless. Accordingly, a day was fixed for taking a census of the various refuges. A Friday, January 16, was chosen ;

[1] *Report of a Special Committee of the Charity Organization Society.* [Spottiswoode. London, 1891.]

because the Local Government Board publish the weekly returns of the inmates of the casual wards on that night, and it would thus be possible to obtain an estimate of the number of persons receiving shelter either at the hands of the poor-law or of charitable institutions. It was found that in the nine refuges there were 712 men, 193 women, 33 children, total, 938 ; while in the casual wards there were 697 men, 138 women, 8 children, total, 843. These numbers, making 1781 persons in all, do not necessarily afford a complete census of those persons who on the night in question were unable to provide themselves with a lodging. There are a few small refuges besides those taken into account, also boys' shelters, and houses for the reception of fallen women, and, further, the Salvation Army shelters, which occasionally, under special circumstances, admit gratuitously. If we place the total of homeless persons at 2500, we shall probably be allowing a very ample margin.

In the casual wards and refuges there is accommodation for 2575 persons. Thus it will be seen that no one need sleep in the open air except from deliberate choice. It may occasionally happen that a particular refuge may be filled, and that applicants may have to be sent away ; but as none of the refuges are more than two miles apart, and there is telegraphic communication between them, the overflow from one refuge can be directed to another which can take them in. It is often supposed that there is a large number of persons who, even in winter, sleep in the open. The evidence of police constables examined before the committee proves this supposition to be false. A considerable number of persons may be seen wandering about the streets late at night, in a way which might lead the casual observer to suppose that they were unable to obtain a night's lodging. This, however, is not the case. Some are kept out late by their work ; others are habitual beggars and loafers waiting, perhaps, to receive tickets for lodgings from benevolent people ; too often, it is to be feared, in order to sell them for drink. Although, as has been shown, the number of those who are unable to pay for a night's lodging on a given night is comparatively small, the class to which they belong, viz. those having no permanent home, is a considerable one. This class is a fluctuating one, and its numbers have been very variously estimated, owing to the extreme difficulty of obtaining anything like an accurate statement. It is recruited mainly from the common lodging-houses. These have accommodation for about 34,000 persons, and a large proportion of these must be reckoned as belonging to the homeless class.

The homeless may be divided roughly into three classes — those

who are incapable of working, those who are unwilling to work, and those who are unable to find work. Incapacity may be permanent or temporary; owing either to bodily, mental, or moral infirmity, produced by accident, misfortune, or the person's own fault. Unwillingness may arise from actual viciousness, or merely from weakness of character which often leads to a gradual drifting into idle ways. Inability to get work may be due to local derangement in the labour market, or to misfortune; very often to want of energy and resource in seeking work. The bulk of the evidence shows very clearly that a very small percentage of the homeless are *bonâ fide* working men; and even of these, a moderate exercise of thrift and foresight would in the majority of cases have prevented them from sinking. Drink, though sometimes the initial cause of a man's falling, is more often the effect of misfortune, and is in most cases the result of a weak character which at once sinks under the weight of adverse circumstances, instead of fighting against them. There is among the homeless a class whose presence, while being very deplorable, is also very suggestive as to the proper treatment of homeless cases, viz. discharged soldiers, who form quite an appreciable percentage of the applicants at the refuges and casual wards. Many of these men have received good discharges, and are not naturally vicious; but they have grown so dependent on discipline and external authority, and so accustomed to have their work and time mapped out for them, that they have become quite unable to shift for themselves when that authority is withdrawn, and seem to have entirely lost all that self-reliance without which it is well-nigh impossible for a man to hold his own. That this state of things is greatly due to the short-service system there can be no doubt; as men are turned out at an early age, before their character is completely formed, generally with no knowledge of any trade, and with a sum of money in their pockets sufficient to maintain them in idleness for a considerable time, during which all taste and desire for work is lost. The habit of loafing is one that grows very fast on a man. It is practically impossible to reclaim the habitual vagrant. The only chance of really benefiting him is to get hold of him before the disease has taken deep root.

It will now be necessary to glance briefly at the present methods of dealing with these cases.

1. The casual wards. There are twenty-five casual wards in London, having accommodation for 1647 persons. Theoretically, casuals are admitted by the relieving-officer, except in cases of urgent necessity, when they are admitted by the superintendent of the ward. Practically, the casual never applies to the relieving-officer, and is

admitted by the superintendent. As a matter of fact, the relieving-officer would not have time to make the requisite inquiries, so under the existing system the present practice is the most practical.

The casual wards are opened at five in winter, or six in summer, at which hour the majority of casuals enter. Each applicant is questioned as to his name, age, occupation, where he came from, and where he was going to. He is then subjected to a search, and all property found on him is taken away, to be restored at his departure. If any money is found on him it may be retained, but is usually returned to him. No applicant having more than fourpence about him is admitted, as that sum is sufficient to procure a night's lodging. The casual is then compelled to have a bath, except in cases of illness ; his clothes are meanwhile baked to destroy vermin and to be disinfected. Some wards are conducted on the cellular, others on the associated system. The more respectable casuals usually prefer the former. The daily task for men is breaking thirteen hundredweight of stones, or picking four pounds of oakum ; the women are either employed in scrubbing, or have to pick two pounds of oakum. The diet consists of six ounces of bread and a pint of oatmeal broth for breakfast and supper, for dinner the same, with the alternation of eight ounces of bread and an ounce and a half of cheese. In the majority of wards the casual is detained till 9 a.m. on the second morning after his admission ; in some the superintendent is authorized to dismiss a man on the morning following his admission, if he has reason to believe that he is a *bonâ fide* working man. If a man is recognized as having been in a casual ward within a month, he can be detained for three days.

2. The refuges are nine in number, not including institutions for special classes, and have accommodation for 1249 persons. There is considerable variety in the methods employed in the different refuges, and also in the nature of the accommodation they provide. The diet is in most cases inferior to that of the casual wards. The majority of refuges place restrictions on readmission within a certain time. The regulations as to length of stay vary considerably, in some there is no fixed period, and the duration of stay is left to the discretion of the manager, according to what he considers to be the needs of each individual. Some of the refuges require references to be given by applicants before they will permit them to stay more than one night, and make strict investigation into each case, in order to distinguish the *bonâ fide* workman from the ordinary casual, and to find out the best means of assisting deserving cases.

The great defect of the present system is the lack of communication and co-operation between the various refuges and the casual

wards, which enables a man to live by going from refuge to refuge, and occasionally to the casual ward, doing little or no work, earning a few pence or shillings by an occasional job, but more usually by begging and loafing at the doors of theatres and other such places, on the chance of getting a few coppers by doing small services. These men earn enough to enable them to resort very frequently to the common lodging-houses.

In order to deal effectually with this class two things are necessary. 1. That there should be co-operation and communication between the various refuges and the casual wards. They should be visited regularly by inspectors, who would soon recognize habitual loafers. 2. That increased powers of detention should be given to the superintendents of the casual wards, and also authority to transfer bad cases to the workhouse for long periods of detention to undergo a reformatory course.

At the refuges a more uniform system should be pursued. In all cases the applicant should be required to give references, or to be able to satisfy the superintendent that he is a *bonâ fide* working man, before he is permitted to stay for more than one night. The present system is undoubtedly an attraction to men from the country to come up to London on the chance of finding work, as they know that in case of failure they can always obtain food and lodging at one of the refuges. A more stringent system might ultimately check in some degree this influx of unskilled labour from the country, and thereby cut off one of the chief sources from which the homeless class is supplied.

With regard to minor matters, a measure authorizing the superintendents of the casual wards to dismiss men at an earlier hour in the morning would probably be beneficial, as it would give the *bonâ fide* working men a better chance of finding work, whereas the idle would not avail themselves of it.

The functions of charitable institutions, as distinct from the poor-law wards, should be to discriminate between helpable and unhelpable cases ; they should act as a sort of sieve to catch those in whom all sense of good is not yet dead, and prevent them from sinking further, and if possible give them an opportunity of making a fresh start.

There is evidence to show that a large proportion of those who are now confirmed loafers, were once in a condition when material help or personal influence might have saved them.

There can be no universal remedy applicable to all cases, as there is so much variety in the need and conditions of each individual. Each separate case requires personal attention, and must be dealt with according to its special requirements. The aim should be not so much

the relief of the present distress as the eradication of its cause. To do this a patient and exhaustive inquiry is necessary, into all the circumstances of each individual case. This is rendered all the more difficult in many cases by the attitude of the applicants for relief themselves, who desire rather the alleviation of their present pains than the cure of the disease itself, which has its origin in their own nature and inclinations. Mere relief would only aggravate the disease in the individual, and afford a bad example to others. Finding work often does more harm than good. Experience proves that men are far less likely to stick to work which has been found for them than to work which they have obtained by their own exertions. Besides, if an institution once takes to finding work for people, it will be at once inundated with applications from all those who are from any cause out of work. At the same time, any system which afforded better communication between employers of labour and those in want of work would be highly beneficial. The result of the inquiry seems to show that the action of the Poor Law should be deterrent and reformatory. It would be well if the vagrant class were treated apart from and more stringently than the ordinary resident pauper. Charity, on the other hand, should deal with the helpable. To distinguish between the two classes, a uniform system, and co-operation between the several charitable institutions, *inter se*, is above all things necessary. When once the distinction has been made, each individual case must be dealt with personally, according to its peculiar requirements.

C. B. Marshall.

The American Economic Association published four volumes during the year 1891. Of these, the first is a Report of the proceedings at the fourth annual meeting of the Association, held at Washington, on December 26–30, 1890. It contains a masterly presidential address by President Walker, dealing with the increasing popular interest in economic discussions, the Single Tax proposals, the Monetary question, and the question of Immigration. The abstracts of papers and discussions cover a very wide field, containing reports and papers presented by the Committees on Economic Theory, Transportation, Statistics, Taxation ; a long and interesting discussion on Economics and Education ; and various papers on Social Economic Problems. The last meeting was held jointly with the American Forestry Association, and the papers dealt with various subjects connected with Forestry at home and abroad. The second issue of the Association for the year contains the papers read at this final meeting. Those who are interested in the preservation of forests cannot do better than study Mr. Gifford

Pinchot's very careful collection of facts relative to State Forestry in Germany, France, Switzerland, Australia, India, South Africa, and elsewhere. The remaining monographs (*Municipal Ownership of Gas in the United States*, by Dr. E. W. Bemis, and *State Railroad Commissions*, by Dr. F. C. Clark) deal with questions of pressing practical importance, but they are written in the scientific spirit, and are full of valuable facts and statistics.

A prize of $250, given by Mr. T. G. Shearman, of Brooklyn, New York, has been awarded to Mr. S. M. Dick, of Ann Arbor, Michigan, for the best essay on "State and Local Taxation of Private Property in the United States." The Association are also offering two prizes for essays on the "Housing of the Poor in American Cities." Reference is made in the Report to the foundation of the British Economic Association, as well as of Economic Associations in Australia and Japan. Some account of the former is given at the end of the first number.

We notice that the secretary of the Association, Dr. Richard T. Ely, is giving up his post at Johns Hopkins, and goes in June to direct a new School of Economics, History, and Public Law at the University of Wisconsin, where he will also be Professor of Political Economy. Professor Ely is secretary of the Christian Social Union in the United States, which owes it success largely to his zeal and energy. He will carry with him the good wishes of many friends on both sides of the water.

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

The ponderous volume entitled *Statistical Tables and Report on Trade Unions: 4th report; years* 1889 *and* 1890 (Command Paper 6475, fol., 635 pp., 5*s.* 1½*d.*) contains—

(1) Four pages of introduction by the compiler, the Labour Correspondent to the Board of Trade.

(2) Five summary tables, showing for each union, so far as the facts are ascertainable, (i.) the annual income and expenditure, the expenditure being divided into out-of-work, dispute, sick, accident, superannuation, funeral, and "other" benefits; (ii.) the number of members of the unions in every fifth year from 1855 to 1880, and then in every year; (iii.) the contributions per member during the same years; (iv.) the percentage of members receiving unemployed, sick, or superannuation benefits; (v.) the amounts per member expended on unemployed, sick, and superannuation benefits.

(3) The detailed tables for each union, on which the summary tables are based.

(4) Tables showing the rates of wages recognized by various unions in different districts.

(5) Tables showing the chief causes of death and the average ages at death from these causes, in 1889 and 1890.

(6) A very small table showing the kinds of accidents or diseases on account of which accident and disablement benefits are paid by certain trade unions; and—

(7) An appendix of extracts from the annual reports of various unions for 1889 and 1890.

The *Report on the Strikes and Lock-outs of* 1890, *by the Labour Correspondent to the Board of Trade* (Command Paper 6476, fol., 361 pp., 2*s.* 11*d.*) appears even later than its predecessor, the *Report* for 1889, which it was possible to notice in the *Economic Review* for January, 1891. The cause is obvious when the two volumes are placed side by side, as the second is more than twice as thick as the first. Every portion of the report has grown considerably, and a hundred pages have been added by the effort which "has been made to obtain information as to gains and losses which have been achieved or submitted to by trade unions without strikes." This addition, as well as other valuable matter, seems rather out of place in a report on strikes, and it

would be well if Mr. Burnett would amalgamate his report on trade unions and his report on strikes and lock-outs into one annual report, which should be divided into two portions, one of comparatively small bulk, containing the main results of the inquiry, and the other the detailed facts from which they are deduced.

The "average unemployment"—to use Mr. Burnett's neologism—of the members of the unions from which statistics are obtained was, in 1887, 8·43 per cent.; in 1888, 5·2; in 1889, 2·23; and in 1890, 2·02. This decline in the percentage of members unemployed in "about twenty of the leading trade unions" is quite sufficient to show that the national industry was in a more active state in 1889 and 1890 than in the preceding years; but Mr. Burnett is unusually rash when he assumes that, because in January, 1887, the "unemployment" of the twenty trade unions was 10·3 per cent., therefore "there were roughly one-tenth of all the workers in the kingdom without employment." Granting that the condition of the twenty trade unions may fairly represent that of the whole of the artisans and unskilled labourers of the country, we may yet refuse to admit that it tells us much with regard to the agricultural, commercial, and professional classes, the domestic servants, and the many millions of women who, though they work fourteen hours a day and are never off duty, are set down in the censuses as "indefinite and non-productive," because they receive no money wages.

The strikes which are reported on, computed by a method somewhat different from that employed for the year 1889, numbered 1028. About 400,000 persons were engaged in these strikes, and the average duration of a strike was 17·3 days, as against 18·6 in 1889, and 19 in 1888. The direct loss to production appears very great, but, as was shown in these pages last year, and as Mr. Burnett himself remarks this year, it is very small compared with the whole annual production of the nation. What the indirect losses are, no one can tell; but it is probable that they are to some degree counterbalanced by the indirect advantages which often result from breaking up the stagnation of ordinary industrial existence. If strikes were conducted without acrimony and serious suffering on the part of those engaged, there would be no great need to deplore their present number and duration.

Of the 936 strikes of which the results were known, 384 were successful, 230 partially successful, and 322 unsuccessful. The successful strikes were larger as well as more numerous than the unsuccessful, for 213,687 persons were engaged in the 275 successful strikes of which the particulars have been obtained, and only 101,902 persons were engaged in 254 of the unsuccessful strikes. "In deference to the wishes of some of the trade unions, who complained that the report of last year showed only the losses of strikes," a bold attempt is

made to estimate the gain of wages resulting from the strikes ; but this is far from being a success. Figures have only been obtained for 232 strikes, and of these only seven belong to the unsuccessful class, which is thus quite inadequately represented.

The "suggestions by employers and trade unions of means of settling or preventing labour disputes" do not differ materially from those made last year. The union's favourite suggestion is "arbitration ;" and the employers very frequently express a wish to put down "agitators" and intimidation. The most ferocious employer, a potter of Rotherham, desires to "hang the agitators and raise the price of manufactured goods to the public who support the strikers in their unjust demands." Pessimists can only suggest, "Agree to all workmen's demands," or "Cease to employ anybody." Many, however, show an amiable spirit ; one going so far as to desire "sweet reasonableness on both sides :" and it is impossible not to respect the honest Limerick bacon-curer, who, after being defeated, could suggest, as the best means of settling disputes, "Fight them out manfully." Some of the suggestions are obviously those of men irritated by receiving a paper of questions ; and there is a straight hit at Mr. Burnett in the Skipton manufacturer's suggestion that a solution of the labour question is to be looked for in "finding trade delegates a job under Government." The Post Office, interrogated after the strike of London postmen, could only reply with dignity, "In the Post Office, the authority of the Postmaster-General is considered sufficient."

What the benevolent "authority of the Postmaster-General," possibly slightly stimulated by the strike, has done with regard to the wages and privileges of postmen, will be found in a *Return relating to Postmen's Pay, etc., in the year* 1885, *and as fixed in August*, 1891 (House of Commons Paper, 1891, No. 451, fol., 10 pp., 2*d.*). A very general addition of two shillings to wages has been made, sick-pay has been increased, and the prospects of any particular postman obtaining every advantage to which long service and good conduct entitle him have been made more certain by the almost total elimination of the principle of having classes limited in number and making postmen who were qualified for admission wait for vacancies.

The *Return of the Paupers in the Workhouses of England and Wales on the* 31*st day of March*, 1891, *who, having been members of a Benefit Society, had then from any cause ceased to be members* (House of Commons Paper, 1891, No. 366, fol., 20 pp., 2½*d.*) gives the number of ex-members of benefit societies in each workhouse, first dividing them into (1) those who had ceased to be members in consequence of non-payment of contributions, withdrawal, or dismissal, and (2) those who had been cast adrift by the break-up of their society ; and then

showing how many had been members for less than ten and for more than ten, twenty, and thirty years. There were altogether 14,808, of whom 1583 had been members for less than ten years, 1216 for more than ten but less than twenty, 955 for more than twenty but less than thirty, 814 for more than thirty, and 25 for some unascertained period. Break-up of their society accounts for 4593, and the remaining 10,215 ceased to be members owing to non-payment of contributions, withdrawal, or dismissal. It is difficult to say how much credit should be given to these figures, obtained by a perfunctory examination by workhouse officials, of a class of people not as a rule very strictly truthful, who would have a strong bias towards exaggerating the length of time during which they had exercised providence, and also towards representing themselves as having suffered from the default of their society rather than from their own failure to keep up their contributions.

Accepting the figures for what they are worth, and remembering that most of these paupers will be aged persons, we need not draw a conclusion very unfavourable to benefit societies. It is sickness and burial, not old age, that they have hitherto undertaken to provide for, and the solvency of the existing societies is very different from that of those to which men of sixty or seventy years of age may have belonged for ten or twenty years in their early life.

The *Reports from H.M.'s Consuls respecting the Working of Cargoes on Sundays in Foreign Ports: Part II., America* (Command Paper 6369–1, 8vo, 19 pp., 1½*d.*) form a continuation of the papers noticed in the numbers of this *Review* for July and October, 1891 (pp. 421, 559). As might be expected, America is rather more strict in the observance of Sunday rest than Europe and Asia. At New Orleans there are no regulations against Sunday labour in the port, but "practically no such work is done, for economical reasons, as the trade associations have fixed the hours for Sunday work at from 7 a.m. till 2 p.m., and the wages at ten dollars a head for that period."

The *Fifty-third Annual Report of the Registrar-General of Births, Deaths, and Marriages in England*, 1890 (Command Paper 6478, 8vo, lxxvi., 229 pp., 1*s.* 3*d.*) is of more value than several of its immediate predecessors, since the rates in it are based on the census returns of 1891 instead of on the obviously erroneous and misleading hypothesis of a similar rate of increase between 1881 and 1891 as between 1871 and 1881. According to the *Report* for 1889, the marriage, birth, and death rates for that year were 14·7, 30·5, and 17·9, while the corrected figures are 15, 31·1, and 18·2. The Registrar insists that "when enumerations are only made at decennial intervals such differences are unavoidable," regardless of the fact that Dr. Longstaff has shown conclusively that they are quite easily avoided. Germany, France, Austria

and Hungary, Sweden and Norway, Belgium, Holland, Switzerland, Ireland, and even Spain, manage to produce real inter-censal estimates, and Denmark, Italy, and Scotland are the only countries which follow the English plan of working on a hypothesis which is known to be untenable, and which, if any serious variation in the growth of population took place, would present most outrageously inaccurate results. Chiefly in consequence of the influenza epidemic, the year 1890 was an unhealthy one; the deaths increased from 518,353 in 1889 to 562,248, the largest number ever known. Accompanying this increase of forty-four thousand in the deaths, there was a decrease of sixteen thousand in the births, which fell from 885,944 to 869,937, the smallest number since 1875. This considerable diminution in the births is remarkable, in the face of the rapid increase of marriages from 196,071 in 1886, to 200,158 in 1887, 203,281 in 1888, 213,865 in 1889, and 223,028 in 1890. Subtracting the deaths from the births (an arithmetical operation which the Registrar still leaves to his readers), we find that the excess of births was only 307,689, the smallest number since 1875. For the United Kingdom the excess of births was 369,825. To find as small an excess as this we have to go back to 1867, when the population was thirty and a half millions, as against thirty-seven and a half in 1890. As the excess of births is the prime factor in the population question, the figures for the five principal countries of Europe for the last fifteen years are given in the following table. America and Australasia have not yet been discovered by the English Registrar-Generals.

Year.	Germany.	United Kingdom.[1]	Italy.	Austria.[2]	France.
1876	626,594	478,203	287,301	219,073	132,608
1877	592,636	486,705	241,220	153,028	142,622
1878	556,473	436,502	198,925	149,590	98,175
1879	592,098	436.756	227.471	203,102	96,647
1880	522,970	426,966	87,908	173,722	61,940
1881	525,758	481,365	296,944	156,961	108.229
1882	525,495	459,677	273,768	186,571	97,027
1883	493,697	437,227	277,256	181,495	96,803
1884	522,083	461,632	350,380	211,798	78,974
1885	530,185	448,252	338,753	171,170	87,661
1886	512,396	447,369	242,357	197,605	52,616
1887	605,155	429,260	323,914	217,176	56,536
1888	618,581	444,657	299,132	203,328	44,772
1889	619,483	442,069	381,129	251,563	85,646
1880	560,247	369,825	287,192	172,593	- *38,446*
Five Years.					
1876–80	2,890,771	2,265,132	1,042,825	898,515	531,992
1881–85	2,597,218	2,288,153	1,537,101	907,995	468,694
1886–90	2,915,862	2,133,180	1,533,724	1,042,265	201,124

[1] The figures for England and Wales, 1876–1889, are given in the *Economic Review* for April, 1891, p. 277.

[2] Not Austria-Hungary. The figures for Hungary are not complete.

The table suggests that the solidarity of Europe is often somewhat over-estimated. A certain correspondence in the fluctuations from year to year can be discerned, this being obviously due to climatic conditions and epidemics. But the fluctuations from five years to five years, which may be supposed to depend largely on economic conditions, do not resemble each other in the least. Germany falls greatly, and then rises a little above her former level ; the United Kingdom first rises slightly, and then falls largely ; Italy rises enormously, and remains stationary ; Austria rises, first slightly, and then considerably ; France falls, first moderately, and then excessively.

The *Report* contains some very disagreeable statistics as to the deaths of infants from overlying. In the year 1890, 1544 children died from this cause ; and from 767 cases on which inquests had been held and the day of death stated in the coroner's certificate, a table has been constructed, showing that 28·3 per cent. of the cases occurred on Saturday night, 12·4 on Sunday night, 13·7 on Monday night, 11·6 on Tuesday night, 11·5 on Wednesday night, 10·7 on Thursday night, and 11·8 on Friday night. The inference drawn from these figures is the old one, that there is a connection between the receipt of wages and heavy sleep.

With some industry a fair idea of the financial position of the State may be obtained from the *Return of Public Income and Expenditure for fifteen years ended the* 31*st of March*, 1891 (House of Commons Paper, 1891, No. 402, fol., 19 pp., 2½*d.*), moved for by Mr. Henry Fowler, and the *Return showing, at the close of each financial year from* 1835–6 . . . *the aggregate gross liabilities of the State . . . the estimated assets, and the aggregate net liabilities, etc.* (House of Commons Paper, No. 390, fol., 29 pp., 3*d.*), moved for by Sir William Harcourt. When necessary, these may be supplemented by the less useful *Return of Public Expenditure (exchequer issues) Charges on Taxes for each Year*, 1857–8 *to* 1890–1 (House of Commons Paper, 1891, No. 403, fol., 9 pp., 1½*d.*). Much of the difficulty felt by the uninitiated in understanding the true state of affairs with regard to the national debt arises from the fact that the excess of income over current expenses, which of course is the only real fund applicable to the redemption of debt or increase of assets, is at present distributed into three portions : (1) so much of the terminable annuities as represents repayment of capital ; (2) the difference between interest on the debt, together with the whole annual payment for the terminable annuities, and an amount called the "permanent or fixed annual charge ;" and (3) anything which remains over at the end of the year after paying the expenses of government and the fixed annual charge of the debt. The Chancellor of the Exchequer is not supposed to be under any obligation to provide any-

thing under the third head—the Old Sinking Fund, as it is called,—and so, if he finds, when framing his Budget, that there is likely to be any considerable amount over, after allowing for expenses of government and the fixed annual charge of the debt, he proceeds to give this "surplus" away by diminishing taxation. To provide the difference between the interest of the debt, together with the annuities and the fixed annual charge—the New Sinking Fund—the Chancellor is bound only by a sort of good resolution taken in 1876. How small is the force of this good resolution is shown by the fact that the present Chancellor of the Exchequer, in a time of peace and prosperity, has twice reduced what is still called the "permanent or fixed" annual charge from £28,000,000 to £26,000,000 in 1888, and from £26,000,000 to £25,000,000 in 1890. But at least, it may be supposed, the country has irrevocably bound itself to pay off annually that amount of debt which is redeemed by the terminable annuities? Having sold an annuity of x for y years, it must be bound to pay that amount, or declare itself bankrupt? This is actually the case with about a million per annum of annuities which have been sold to private persons for life and other terms. But the other five and a half millions have never been sold by the State or bought by private persons. They are simply bogus annuities due from the State to the State. Two and a half millions go to the Court of Chancery, and two millions to the Savings Banks Fund. The State is in the position of a banker with regard to the Chancery and Savings Bank money, and, so long as every individual suitor and depositor is paid his due, can treat it in any way that seems good. It can convert stock into annuities, and re-convert annuities into stock, without a suitor or a depositor being the wiser. So, in 1884, £40,000,000 of Chancery stock was converted into a twenty-year annuity of £2,665,835, and in 1889 the remainder of this annuity was re-converted into £34,625,777 of 3 per cent. stock, and this was converted into $2\frac{3}{4}$ consols, and then re-converted into an annuity of £2,605,706. The annuity was thus by several strokes of the pen reduced by £60,129, and yet no one was entitled to complain. So, too in 1886 "the payment of so much of the terminable annuities created in 1883 as represented repayment of capital (£4,672,978) was suspended for the year." There is thus no ground for any idea that the principle of redeeming debt by terminable annuities as now understood is fundamentally different from the principle of the fixed annual charge, or of devoting a fixed amount (which shall not diminish with the reduction of the interest charge) to the whole service of the debt. If twenty-eight or twenty-five millions were really devoted to the service of the debt every year, it could make no possible difference whether the amount of terminable annuities inside that charge were great or small.

In the following table, the expenses of government and the interest and cost of management of the debt have been subtracted from the revenue, as given in Mr. Fowler's return, so as to show (in the fourth column) for each year standing by itself the actual surplus available for the reduction of debt or increase of assets.

Year (April 1 to March 31).	Revenue from taxation, post office (net) and Crown lands.	Current expenses.		Surplus of revenue applicable to reduce debt.
		Expenses of Government.	Interest and management of debt.	
	£	£	£	£
1876–77	68,411,366	40,880,325	22,415,848	5,115,193
1877–78	69,201,760	44,516,219	22,362,437	2,323,104
1878–79	72,314,616	47,213,113	22,340,852	2,760,651
1879–80	70,230,112	45,675,047	22,200,877	2,354,188
1880–81	72,581,590	43,482,649	22,192,521	6,906,420
1881–82	74,209,222	45,636,717	21,883,339	6,689,166
1882–83	76,795,307	48,527,225	21,605,679	6,662,403
1883–84	75,147,440	46,750,987	21,524,009	6,872,444
1884–85	77,107,728	49,861,240	21,288,916	5,957,572
1885–86	78,294,343	59,078,271	20,792,737	- *1,576,665*
1886–87	79,124,107	51,732,222	20,936,306	6,455,579
1887–88	79,000,455	50,829,150	20,828,182	7,343,123
1888–89	77,362,700	50,787,023	20,784,902	5,790,775
1889–90	77,368,003	49,397,342	19,656,907	8,313,754
1890–91	77,657,311	50,976,541	18,983,204	7,697,566

That the surpluses for the last few years have been as large as they have been, in spite of the reduction of the "fixed charge," has been due to the fact that Mr. Goschen has not been sanguine in his estimates, so that considerable amounts have come in under the "Old Sinking Fund."

The Foreign Office has obtained from the legations, for the use of the Royal Commission on Labour, *Reports on the Present State of the Labour Question* in *France* (Command Paper, 6551—4, 8vo., 20 pp., 1½*d.*), *Germany* (6551—3, 31 pp., 2*d.*), *Belgium* (6551—5, 58 pp., 3*d.*), *Italy* (6551—2, 83 pp., 6*d.*), and *Russia* (6551—8, 20 pp., 1½*d.*), and also a *Report on the Evidence taken at Rotterdam and Amsterdam by the Dutch Labour Commission* (6551—11, 15 pp., 1½*d.*). The report from France deals chiefly with legislation, past and prospective. That from Germany embraces not only recent legislation, but also a computation of the industrial population, wage statistics, and particulars as to the number of hours worked, trade combinations, socialistic societies, industrial courts, factory inspection, profit-sharing and strikes in 1890. The Belgian report is to a large extent compiled from the publications issued by the Commission on Labour which sat in Belgium from 1886 to 1888. The report from Italy, prepared by Sir D. Colnaghi, Consul-general at Florence, is quite a considerable treatise

on the whole economic condition of Italy. To English readers the most striking of the series is the Russian report. With the *mir* we have become tolerably familiar ; but this report deals with the peasants who have left their *mir* to work in the urban factories. Russia, like Western Europe, has its factory laws and its factory inspectors. Its laws are drastic, and its inspectors are armed with great powers. Of fifteen strikes known to have occurred in two Governments within a certain period, three were settled by the inspectors, and twelve were suppressed by force. An employer whose conduct provokes disorders requiring police intervention, is liable to imprisonment for at least (*sic*) eight months, and may be prohibited from ever after resuming the management of his business. Large factories still provide board and lodging for their workmen, though the practice is on the decline. Till lately, regular payment of wages at definite intervals of time, was the exception rather than the rule. The most extraordinary diversity with regard to the number of hours worked exists in the same district, and in the same trade. The hours in the majority of cloth factories in Moscow are as follows : day-shift, 4.30 a.m. to 8 ; 8.30 to 12.30 ; 1.30 to 8 ; night-shift, 8 p.m. to 4.30 a.m. ; 8 to 8.30 ; 12.30 to 1.30.

Edwin Cannan.

REVIEWS.

THE ELEMENTS OF POLITICS. By Henry Sidgwick, Professor of Moral Philosophy in the University of Cambridge. [632 pp. 8vo. 14*s*. nett. Macmillan. London, 1891.]

The merits of Professor Sidgwick's book are precisely of the kind which it is most difficult to praise. It is easier to find special points for commendation where the general level is lower ; where a writer sees clearly this or that side of truth ; where he writes to air some new discovery, some sensational application or misapplication of physical science, or to advocate this or that alluring programme of social reform. There is nothing sensational about Mr. Sidgwick's methods, or his general point of view, or his detailed conclusions. Good sense—intensified almost to the point of genius,—sobriety, judiciality—these are the characteristic excellences of Professor Sidgwick's work. The style is suitable to the matter. There is a lucidity which never sinks into platitude, a scientific exactness which never stoops to pedantry, a philosophic subtlety entirely free from technical jargon, a restrained but sometimes not quite unimpassioned eloquence such as we sometimes hear in the summing-up of a great judge in a great case.

The want of such a book, dealing, however summarily, with almost every side of the enormous field embraced within the limits of Political Philosophy, is sufficiently indicated by the fact, that an able Englishman should have thought it worth while to translate into English such an exceedingly mediocre work as Bluntschli's *Theory of the State*, and that such a book should have passed into a recognized text-book in an English University. If there is a subject upon which Englishmen have little to learn from Germans, that subject is politics, whether practical or theoretical. The wisest of the Germans themselves acknowledge the advantage which the political experience of an Englishman gives him in dealing with both the history and the theory of free States. There is, therefore, something sadly ludicrous in the spectacle of young Englishmen sitting at the feet of such a characteristically Teutonic mixture of bureaucratic and professorial pedantry (even when every allowance is made for an infusion of Swiss sympathies) as Bluntschli's book. Professor Sidgwick will supersede Bluntschli, and it will

probably be long before any other Englishman will be bold enough to undertake a similar task, and longer still before it will be undertaken with such a solid and satisfactory result.

The uniform high level of the book must be my excuse, if I do not illustrate these remarks by examples of Professor Sidgwick's method or results, and devote most of this notice to criticism. From the point of view of strict theory, the most serious defect of the book is, to my own mind, its pure Hedonism ; but as, in Professor Sidgwick's belief, Hedonism does not involve any serious innovations in practical ethics, the conclusions which he arrives at are not greatly at variance with those which might be reached by a writer who (like Professor Sidgwick) should consider the ultimate justification of political authority to lie in its tendency to promote general well-being, and (unlike Professor Sidgwick) should not interpret well-being as synonymous with maximum pleasure. It will be sufficient to point out that any one who approaches the subject from my own point of view, will desiderate something in Professor Sidgwick's treatment of the relations between Church and State, or between the State and morality. He must look elsewhere for a modern development of Aristotle's magnificent conception of a State which exists to promote virtue (ἀρετῆς ἕνεκα). Even so, however, he might find little to dissent from in Professor Sidgwick's actual conclusions. If he seems, on the whole, unfavourable to the principle of Church establishments, at least where a Church establishment involves the actual payment of the religious and moral teacher by the State, it is on purely practical and not on theoretical and *à priori* grounds. That there is much truth in Professor Sidgwick's contention that the *bona fides* of the moral teacher is likely to be suspected if he takes State-pay for his work, no one will dispute. The only consideration which seems to me to be overlooked is the question whether any paid teacher of either religion or morality is not to a great extent in the same position. The working man who treats the parson as a person who teaches doctrines, which he may or may not believe, as a means of livelihood, does not usually draw much distinction between the Church of England clergyman and the dissenting minister, or even the layman who is rightly or wrongly supposed to be doing religious or charitable work for money derived from some mysterious source. I am told that it is largely believed in many quarters that residents at the Oxford House in Bethnal Green receive some £300 a year apiece. I should myself be disposed to find the chief general objection (apart from circumstances of time and place) to any *direct* State teaching of morality, whether or not in connection with religion, in the impossibility of the State selecting its agents with due regard to *character*, except in a purely

negative sense ; and it is obvious that this consideration is an equally important objection to the direct State appointment of school-masters of all grades, and even of university teachers, the State management of hospitals, and many other institutions of a similar kind. The State can never insist upon, and can rarely count upon, enthusiasm in its servants.

To pass to the more general estimate of Professor Sidgwick's value as a political thinker, there seem to me to be two directions—very opposite directions—in which we may trace the defects of his extremely high philosophic qualities.

In the first place, there is, perhaps, a slight want of the historical spirit. Professor Sidgwick's method is *à priori*. He aims at laying down the outlines of a rational system of government adapted to civilized peoples in general. Professor Sidgwick is, of course, quite aware that conclusions arrived at by this method have to be modified at every turn in their practical application by the peculiar circumstances, idiosyncracies, and traditions of the people for whom the institutions are intended. But still we cannot help looking with some little suspicion upon attempts to demonstrate *à priori* that the ideal form of government must be something not very much unlike that of England or France or the United States, with a few of their most obvious defects and anomalies corrected. It might be an exaggeration to say that all forms of government are irrational, and that the only object, even of the theoretical politician, must be to choose the least irrational that is possible. But we may, at all events, wish that Professor Sidgwick had given more prominence to the fact that institutions grow and are not made ; that, even when they appear to be the *à priori* constructions of theoretic legislation, they are really the outcome of the political experience which happens to be most familiar to the legislature which makes them and the people which accepts them (just as the United States constitution was the English constitution modified by circumstances and current political theory), and that, under ordinary circumstances, the question for the practical politician is *never* whether this or that institution is susceptible of an *à priori* justification, but whether any substantial advantage would be got by the introduction of any practicable substitute for it. In a word, the book would approach still nearer than it does to an ideal condensation of political wisdom, if Professor Sidgwick had added some of the qualities of a saner and less reactionary Burke to those of a soberer and more learned Bentham.

The other limitation which strikes me in the book is only an exaggeration, if it be an exaggeration, of one of its most conspicuous

merits. The author's treatment of the question of State interference is calmness and impartiality itself. Few will be disposed to find fault with him for treating full-fledged Socialism, in a work of this character, as beyond the region of practical or even of theoretical politics. But still we cannot but feel that there is a certain latent optimism in Professor Sidgwick's point of view. That any wide-spread improvement in the lot of the many must be the outcome of a general social advance which no political machinery can by itself secure, and which political machinery can do only something extremely moderate even to assist, even a sober Socialist might hardly dispute. But still we do feel that in this bulky treatise a little more might have been done to express the idea that the ultimate end of government is not served by just maintaining the *status quo*—carrying on the business, so to speak, which it has inherited, in a respectable and dignified manner; and that the end which every serious politician ought to propose to himself is, to bring about, however gradually, however cautiously, however imperfectly, a progressive extension of the possibility of a worthy and desirable existence from the few who have hitherto enjoyed it to the many who most emphatically have not.

I will conclude with pointing out to the reader who has not time to get through the whole of this big book, that, if he wants to get at Professor Sidgwick's best and most characteristic work, he should read the last few chapters of it. Here he will find a weighty and eloquent plea for the union of what we may call scientific with popular government. Representatives, Professor Sidgwick holds, should be chosen for their special fitness to govern; they should be, to a certain extent, experts, not mere samples of the average citizen: consequently, they should be treated as representatives and not as delegates, and should be unshackled by detailed mandates from their constituency, and—as a means of securing both independence and special fitness—should be unpaid. The admission of this principle involves the mixture of the democratic principle with that of a true aristocracy—a combination in which Professor Sidgwick sees the true ideal of constitutional government.[1] I had desiderated certain Aristotelian ideas in one part of Professor Sidgwick's work; it would be impossible to desire a more appreciative modernization of one of the enduringly valuable elements of Aristotelian wisdom than this vindication of the necessity of an aristocratic element in every well-ordered State.

H. Rashdall.

[1] The admission to parliament of certain selected working-men representatives of exceptional qualifications, seems to me an application of this principle, and not an exception to it; at the same time, one would not desire to see a parliament of which the general educational level was that represented by the Trades-Union Secretary.

AN INTRODUCTION TO THE THEORY OF VALUE.

WILLIAM SMART, M.A., Lecturer on Political Economy in Queen Margaret College, Glasgow. [viii., 88 pp. Small 8vo. 3*s*. nett. Macmillan, 1891.]

According to the classical theory of value, a commodity has, on the one hand, a utility or value in use as being a means to some desirable end; on the other hand, a value or power in exchange, as being, through the possibility of alienation, a universal means to its owner for the attainment of his ends. This availing in exchange or purchasing power which a commodity has is, it is held, normally determined by the cost of its production; but, inasmuch as some costly products, *e.g.*, last year's fashions, have little value in exchange, while flotsam and jetsam often have much, and a pearl that is treasure-trove may be of great price, the normal determination is subject to a correction according to the principle familiar to us as the law of supply and demand. The solution, moreover, of the paradoxes of price, has been thought by some orthodox economists to be further advanced by the later invention of the phrases "cost of reproduction" and "effective demand."

The theory, however, as it appears in its complex and complete form, is something too artificial. The assumption of the fixity of cost of production, which is in reality not fixed, necessitates too many epicycles, so to speak,—too many corrections. Accordingly, Jevons and Mr. Wicksteed among ourselves, Walras, and in Austria a group of economists, among whom the greatest names are those of Menger, Böhm-Bawerk, and Wieser, have, in the interests of simplicity and accuracy, laboured at the substitution of some other basis for value than cost of production.

The fundamental fact in the theory of value lies for the new economics in the subjective estimates which men form of goods. Out of individual subjective valuations differing, though within limits, one from the other, a common objective value is projected which determines the prices of raw materials and so forth; with reference to which, therefore, cost of production varies. The relatively fixed point in a system of values is individual desire reduced to terms of "marginal utility."

Goods have, in our estimation of them, a varying character, as they are, on the one hand, the possible means to possible satisfactions of wants, or, on the other hand, the indispensable conditions of the satisfaction of wants which without them must go unsatisfied. When so limited in quantity as to be inadequate to the satisfaction of actual wants corresponding, goods obviously belong to the latter class, and

have value. This value is initiated in the individual's consciousness of a want, and his recognition that certain goods only can satisfy it, followed, with reference to a scale of wants in certain classes of goods and of definite quantities of goods in each of those classes, by an estimate of the relative satisfaction to be had by securing these goods and gratifying this desire. The result thus far is a subjective valuation of commodities in relation to an individual's system of desires, in which a consideration of substitutional utilities and the often necessity of choosing among alternatives act as moderators and controllers. This valuation our potential consumer, having his private budget in view, now translates into a price which he is prepared to pay. Going down to the market, he finds others prepared to buy, and some prepared to sell, and his subjective anticipatory fixing of the price goes through further alterations, the theoretical explanation of which is somewhat elaborate. The upshot, however, is that our friend, if he turns out a capable buyer, pays an actual price in an actual market, the prevision of which price taught the seller what he might pay for his material, and the seller of that material what he had best sell it for. And so demand reflects back on cost and determines it; cost of production does not hark forward and fix demand.

All, and more than this Mr. Smart has explained clearly and succinctly in his *Introduction to the Theory of Value.* In his rejection of Böhm-Bawerk's scale of classes and quantities of wants, and of that writer's profound explanation of the determination of price between the "marginal pairs" of "most capable" buyers, with the accompanying analysis of the part played by ineffectual bidders and offerers, Mr. Smart proves his independence on his master in what is, we venture to think, an undesirable way; we do not follow him in his fear that certain formulas and bits of doctrine in the new theory are too utilitarian. He is inclined to think, on the other hand, that much less was accomplished than was actually the case, within the bounds of orthodox or objective economics itself, in the extension of the law of costs and the elaboration of the law of demand; and in especial he overestimates the importance of the subjective view of value as saving doctrine for a man in his workaday business life. But the task which he has set himself, Mr. Smart has thoroughly carried out, with considerable felicity of phrase. And he does not think that the thesis which he himself has done most to popularize here, is absolutely the last word in the Theory of Value.

HERBERT W. BLUNT.

LA CAISSE D'ÉPARGNE ET DE PRÉVOYANCE DE PARIS ; Origine—Histoire—Legislation, 1818–1890. Par E. Bayard. [1 vol., 8vo. Hachette. Paris, 1892.]

M. Bayard's book is one which could not have been written in England. For while the Paris Savings Bank (*Caisse d'Épargne et de Prévoyance de Paris*) is and has always been a single institution, with now thirty-nine branches (*succursales*), of which no less than twenty are outside of Paris, there are in London fourteen separate banks, besides several which have been closed. Of the fourteen banks in question, it may be observed, five commenced business in 1816, one in 1817, and two in 1818, the year in which the Paris bank was opened, so that three-sevenths of the number are senior to it, and one-seventh its coevals ; which might *prim^a facie* seem to indicate that the English system of decentralization has not been very unsuccessful. When, however, we come to the figures of depositors and deposits, the advantage lies altogether with the Paris bank. It had, on the 31st of December, 1890, 600,496 depositors ; on the 20th of November, 1890, the fourteen English metropolitan banks, with one since closed, had only 204,412. Its deposits amounted to 148,032,661 francs, or, say, £5,874,312, against only £4,583,686 in the London banks. This may, of course, be accounted for in many ways : by the much larger and earlier development in this country of Post Office Savings Banks, which in France were only instituted in 1881 ; by the vastly greater comparative importance of English Friendly Societies and Trade Unions ; by the larger number of investments open in London to the working classes, Building Societies more particularly ;—on the other hand, by the more thrifty habits of the French. Curiously enough, indeed, the nearest approach on this side of the Channel to the development of the Paris Savings Bank is found in thrifty Scotland, where the Glasgow Savings Bank had, on the 20th of November, 1890, £4,668,752 deposits, divided, however, amongst no more than 157,340 depositors.[1] It has also, like the Paris bank, several branches, though vastly fewer in number (six, of which two are in the suburbs). It will be obvious from the above figures, that the mean amount of a deposit account, whether in London or Glasgow, is far higher than in Paris, amounting in the latter place to only a centime over 248 francs, or under £9 17*s.*, but in the London banks last year to nearly £22 8*s.* 5*d.* (though less

[1] According to the bank's own last report, the figures were still higher—£5,297,034 2*s.* 1*d.*, owing to 160,881 depositors. But these figures include what are termed "special investments," amounting to £628,282 7*s.* 4*d.*, over which no kind of control from without had been exercised till the coming into force of the Savings Bank Act of 1891.

now, through the closing of the bank above referred to), in the Glasgow bank to over £29 13*s.* 5*d.* Compared, however, to the population, the number of depositors is greater in Glasgow than in Paris—one depositor for every $3\frac{1}{6}$ of the population, whilst in Paris there is one for every 4·93 only. Moreover, while the *caisses scolaires*—answering to our Penny Banks, but confined to schools,—which were in connection with the Paris Savings Bank, had only had in all 64,549 depositors, there were 80,000 in the Penny Banks connected with the Glasgow bank. Compared with the whole country, however, in either case, the position of the two capitals is reversed—the 600,496 Parisian depositors representing only over ten per cent. of the total of 5,761,408, whilst the 204,412 in London represented over thirteen per cent. of the total of 1,535,782, and the 148,932,661 francs deposits in Paris representing only over five per cent. of the total (2,911,722,000 francs) for France, whilst the £4,583,686 deposits in the London banks represented over ten per cent. of the total (£43,614,056) for the United Kingdom.

It would make the trustee of an English Savings Bank stare, were it suggested to him that the history of his bank, however proud he might be of it, would supply matter for a volume of 385 octavo pages, exclusively of index and contents. And yet, given the subject, M. Bayard's work can hardly be said to be too long. For the Paris Savings Bank, though founded originally merely as a sort of chartered company (*société anonyme*), has been so bound up with higher and larger interests, that its history is virtually that of the city of Paris since its foundation, not to say of France at large. Mr. U. A. Forbes has been able to prefix to his work on *The Law relating to Trustee and Post Office Savings Banks* (a new edition of which, containing the latest Acts, is greatly wanted) a "Historical Sketch of Savings Bank Legislation," in which no mention is made of any single political event, nor is one minister designated by name. But M. Bayard has to tell of the effects on the Paris Savings Bank of the Revolutions of 1830 and 1848, of the siege of Paris, of the Commune. Whilst, after the earliest years, two constant tendencies are observed in English Savings Bank legislation, the one toward the lowering of the rate of interest allowed to and by Savings Banks, the other toward the raising of the maximum amount of deposits, in France we see the interest at first progressively reduced, then raised to £5 per cent. to the bank and $4\frac{3}{4}$ per cent. to depositors in 1848, then again reduced from 1852, and the maximum amount of deposits progressively reduced till it only amounted to 1000 francs, or less than £40, and only raised again to reach, in all, interest included, 2500 francs (or under £100), by the law of 1875, whereas with us it is

double that amount (£200). No English minister has ever dreamed of interfering with the repayments of Savings Banks. But in 1848, M. Garnier-Pagès, immediately after raising the interest on deposits payable by the State to five per cent., by decree forbad repayments in specie to an amount exceeding 100 francs (under £4) per depositor, the balance to be payable only in five per cent. Treasury bonds, or five per cent. stock at par. A panic, of course, was the result. Then came the insurrection of June, 1848, which caused the Paris Savings Bank to be closed for a whole day, followed by the passing of a law (July 7, 1848) for the compulsory repayment of all deposits under 70 francs (say, £2 15*s.* 6½*d.*), and the compulsory conversion into five per cent. stock (at 80) of all deposits of higher amount. Somewhat more favourable terms were allowed to depositors by a law of the 21st of November, 1848, and deposits began again, in December, to flow in, after the Presidential election, and still more so in the first three months of 1849.

In 1870 came the Franco-German war, and with it naturally an excess of repayments over deposits. Yet as late as July 16th, the balance to the bank's credit stood about £10,000 higher than in December, 1869. There was no panic. Even in September of that year, there were 225 new depositors. Again the Government had to limit (September 17th) the repayments in specie to 50 francs per book, the balance to be paid in five per cent. Treasury bonds at three months' date. But not only were no protests received from depositors, but the rigour of the decree was successively relaxed on the 28th of September, 1870, the 17th of December, 1870, and the 17th of January, 1871—in the first instance by exempting from the operation of the decree of September 17th all deposits made since that date ; in the other two by allowing successive further cash repayments of 50 francs, the decrees being renewed till July 12, 1871, when the normal state of affairs was restored. It is difficult to speak too highly either of the just moderation of the Republican Government in such a crisis, or of the self-abnegation of the depositors. During 1870, the decrease in the number of the depositors was only 18,000, the total reduction of the balance to the credit of the bank, 11,000,000 francs (£436,507, nearly). Even in January, 1871, when the bombardment of Paris began to reach the left bank of the Seine, 144,000 francs (say £5726) were received in deposits. The deposits began to increase again in February, and still more so in March, when the insurrection of the *Commune*)March 18th) created new difficulties. Repayments in Treasury bonds became impossible, the Treasury having withdrawn to Versailles, and the council of the bank was obliged, on its own authority, to resolve that repayments should only be made in specie up to 50 francs per depositor. Yet some deposits

continued to be made every day at the central office during the whole duration of the Commune, though fewer than even in the worst days of the siege ; but in the branches business was practically suspended, only 134 deposits being made from March 19th to May 21st. And the time came, in the middle of April, when all the reserves of the Paris Savings Bank were exhausted, and payments must have been stopped but for the Bank of France, which opened a credit to the Savings Bank in its books on the guarantee of stock, the property of one of the Bank of France *régents*, or managers. The sums advanced by the Bank of France from April 26th to May 31st did not, however, exceed 290,000 francs (say £11,505) ; and at the latter date the Savings Bank had still 237,000 depositors, and deposits amounting to 41,715,800 francs (£1,655,389, nearly). The Savings Bank remained closed from the 21st to the 27th of May ; and though it was opened on the latter day, no deposits were received before the 29th. Happy is the Savings Bank that has no history ! one can hardly help saying, when one reads of one so eventful and so chequered.

It may be observed that since 1883 the Paris Savings Bank has been officially inspected by a Government board, the "Inspection des Finances." It is only within the last twelvemonth that the inspection of English Savings Banks has been provided for, and that, not by any official body, but by a most singularly constituted committee, appointed by virtue of (not by) the Trustee Savings Banks Act, 1891, under a scheme prepared by a committee named *ad hoc* by the Act. The body thus created (the Trustee Savings Banks Inspection Committee) forms no part of the Government, and its expenses are defrayed by the Savings Banks themselves.

A good many curious details might be extracted from M. Bayard's book. For instance, as late as 1836, the mayor of Noisy-le-Sec, a commune within a few miles of Paris, on asking for the establishment of a branch at Belleville, wrote that the inhabitants of his commune were in the habit of hiding or *burying* their savings till they made up enough to buy a little land ; and he reckoned the buried money, for a population of 2000 souls, at 200,000 francs !

It may, finally, be observed that, whilst, in this country, under the competition of the Post Office, both the number of depositors and the amount of deposits in Trustee Savings Banks (unless in exceptional cases, as that of the Glasgow bank, which has beaten the Post Office hollow) go on decreasing from year to year, both are still increasing from year to year in France, the former having risen from 5,096,716 in 1886, to 5,761,408 in 1890 ; the latter, from 2,313,932,285 to 2,911,722,000 francs. At the same time, the number of French Savings

Banks has begun slightly to diminish : from 546 in 1886, to 544 in 1887, and to 543 in 1888, at which figure it remains. The number of English banks closed during the same period was much greater, and the corresponding total at the end of the period—324—already far below the French, has already been reduced to 291, making less than fifty-four per cent. of the latter.

On the whole, though one might have wished it somewhat shorter, M. Bayard's volume represents a valuable contribution to the economic history of the nineteenth century.

John M. Ludlow.

THE MODERN FACTORY SYSTEM. By R. Whately Cooke Taylor, F.S.S., F.R.Hist.S., H. M. Inspector of Factories. [476 pp. 8vo. Kegan Paul. London, 1891.]

Students who read and appreciated Mr. Taylor's *Introduction to a History of the Factory System*, published some five years ago, will not be disappointed with this further instalment. In every way it is a worthy complement of the earlier work. The author's practical experience as a factory inspector, combined with his extensive acquaintance with the literature bearing on the subject, renders him eminently capable for the task, which he has accomplished with no small measure of success. No one who has in any degree felt the urgency of the problems suggested by the general conditions of factory life and work, or who knows how many definite proposals in this connection have come within the range of practical politics, can fail to find the book instructive and stimulating.

A good idea of the main scope and aim of the book may readily be obtained by running over the headings of the ten chapters into which it is divided. These are as follows : "The Industrial Revolution," "Rise of the Modern Factory System," "Establishment of the Modern Factory System," "The Environment of the Modern Factory System," "The Factory Controversy," "The Economists," "The Factory Acts," "Progress of the Factory System," "Progress of Factory Legislation," "Results of the Factory System." The whole plan is well conceived, and systematically carried out.

The last chapter dealing with present results is especially valuable in view of the many misconceptions that are continually cropping up with regard to previous industrial conditions in England. For instance, it is not unfrequently supposed that, as compared with their lot under the old domestic system, the working classes have suffered a great physical and moral deterioration. But Mr. Taylor is able to adduce trustworthy evidence which goes far to prove that home life, sanitation,

morality, and mental training have, all of them, attained a higher level than was possible under the former *régime*.

On the other hand, in the æsthetic and economical results, Mr. Taylor finds strong reasons for much dissatisfaction. The former are "wholly unsatisfactory." The factory system "vulgarizes the product, stultifies the workman, deteriorates public taste; the very buildings in which its operations are performed, the emanations they emit, give an added gloom to life" (p. 442). And, as for the latter, cheapness has been bought too dearly. "When the great figure of competition began first to loom over native industry, an officer, the King's Aulneger, was appointed to insure good work and fair measurement (which was also one of the chief functions of the mediæval guilds), and this office or its analogue continued until the last century. But from the commencement of the modern factory system no obligation of this kind has been recognized as incumbent on them, either by employers or employed. That form of labour has consistently set before itself a baser industrial ideal, and conceived its obligations on a lower moral plane. The masters have set themselves to produce what *would sell;* the workmen have formed societies exclusively in their *own* interests. Much of the noble purpose of labour, much of the distinction that properly attaches to it, has been lost in this declension, and while the new producing system has thus profusely supplied the lower class of human needs it has not evoked the higher qualities of human life" (p. 440).

For Mr. Taylor, however, it seems certain that "the present industrial type is not an ultimate, nor anything but a very transient one" (p. 445). It is, as he remarks in the preface, "an episode, not an element, in modern sociological development." And indeed, after making every allowance for the undoubted benefits that society has gained from the factory system, we may well sympathize with Mr. Taylor in believing that "the enormous inequalities of modern industrial life" can be, and should be remedied. It is likely, Mr. Taylor thinks, that the system of government supervision will gradually be extended so as to cover most branches of productive labour. But the advent of a new motor—such, for instance, as electricity may prove to be—may remove the special need for factory legislation, and put an end to the existing system. "What form the industrial organism that will supplant it may assume cannot be easily foreseen, though we are not without some hints of its probable lineaments. It is unlikely that concentration of labour would be carried much farther in manufacture, the particular necessity for it having ceased. It is tolerably certain that machinery would play an increasingly large part in production, but increasingly too for the benefit of all engaged in production. Nearly

equally certain is it that the motive-power employed in manufacture would be no longer the monopoly of the capitalist, but at the disposal of the municipality, commune, or other local body. The social organization would be probably of a much more associative kind, tending towards, if not actually realizing, true co-operation" (p. 467).

J. Carter.

THE MODERN STATE IN RELATION TO SOCIETY AND THE INDIVIDUAL. By Paul Leroy-Beaulieu. Translated by A. C. Morant. [215 pp. 2*s.* 6*d.* Sonnenschein. London, 1891.]

COLLECTIVISM AND THE SOCIALISM OF THE LIBERAL SCHOOL: A Criticism and an Exposition. By A. Naquet. Translated by W. Heaford. [158 pp. 2*s.* 6*d.* Sonnenschein. London, 1891.]

"This impartial series welcomes both just writers and unjust,"—thus quaintly writes the *Manchester Guardian*, labouring, as it would seem, to express the fact that the *Social Science Series* undertakes to disseminate the opinions of Socialists and anti-Socialists alike. Now, whether M. Leroy-Beaulieu and M. Naquet are to be classified as just or unjust, sheep or goats, is scarcely to be decided without some knowledge of the particular theory of ethics and of political economy that is dear to the soul of the Manchester critic. If, however, as may be supposed, he favour *Manchesterthum*, he will be gratified to learn that the two writers in question are emphatically "just," both in his private sense of the word and in the normal one. In plainer language, both authors are inclined to impose rather strict limitations on State action, and both are fair-minded men whose conclusions are based on tolerably wide inductions. Moreover, both are Frenchmen; which means that they are transparent, frank, and plausible, by the very virtue of their literary style.

It remains to differentiate two writers who have so much in common that their views are best examined in the same article.

M. Leroy-Beaulieu is a statist of a practical turn of mind. From the outset he will have nothing to do with Biology and its fallacious analogies—which is very creditable in so fervent an admirer of Mr. Herbert Spencer. To call the State "the brain of the community" is in his view meaningless. The State is simply the Government. "Now, to whatever party we belong, as citizen or subject, we know well the imperfections, the defects, and the vices of 'the Government.' The State, on the contrary, we conceive of as an ideal being, which we

endow with all the fairest qualities of which we dream, and from which we take away all the weaknesses we detect." Thus it is not against the State in the abstract that M. Leroy-Beaulieu leads his forces, but rather against the concrete Governments of the day. These have at least this much in common, that they "represent the triumph of the momentary infatuation of the majority of the nation." "The modern State represents the nation much as the instantaneous photograph represents the horse which it takes in the act of galloping, and which, as far as it is concerned, remains at a gallop for ever." Thus it never has a complete sequence of ideas, nor yet of *personale*. This constitutes the particular weakness of elective Governments; but M. Leroy-Beaulieu has plenty of objections to urge against all State action alike. In the first place, "public functionaries have neither the stimulus nor the restraint of personal interest." In the second place, "the State is debarred from the action of competition, the most energetic of all the social forces. . . . Being a personality without a rival, the only one of its species, it is secure from the danger of eviction or annihilation which besets individuals or free associations which fulfil their task indifferently or badly." Then, again, the State has no inventive power. "It is an organ of criticism, an organ of generalization, co-ordination, vulgarization. It is, above all, an organ of conservation. The State is a copyist, an enlarger, an exaggerator even. In its copies and adaptations from private enterprises, it runs many chances of making mistakes, or of multiplying indefinitely whatever mistakes it finds in the original from which it is borrowing." Once more, with the intervention of the State we have always the element of caprice to fear, the brutal monopolizing tendency, the *quia nominor leo*. Hence M. Leroy-Beaulieu concludes that, "by virtue of its superiority from the point of view of conception, invention, and aptitude for frequent modifications or varied experiments, individual action should *à priori* be preferred to that of the State for all enterprises susceptible of remuneration;" and likewise that, "since the State is an organ of authority which uses the weapon of constraint or the threat of it, wherever equivalent results, or nearly so, can be obtained by the method of liberty, this method ought to have the preference." There is no need that the State should be *propulsive*. It is quite enough if it serve as rudder without also trying to be screw. The principle of the Division of labour assigns to it certain definite functions. These are notably the maintenance of security and the conservation of conditions favourable to the physical medium in which a nation moves. Beyond this, M. Leroy-Beaulieu would have the State protect the weak, and give accessory aid to civilizing agencies; but in these matters, he considers, its sphere of influence may be

very variously estimated, it being impossible to lay down "absolute theoretical rules." Of this at least, however, he is certain—that "at the level of civilization which we have now reached, . . . an excessive abstention on the part of the State is attended by far less danger than an excessive intrusion and interference."

M. Naquet is an economist, and his essay is rather critical than constructive. After a short exposition of the "Collectivist" ideals of Karl Marx and his school, he proceeds to assail their weak points one by one. First, Marx' theory of value is disproved; then Lassalle's "iron" law of wages; then Proudhon's doctrine of the unproductiveness of capital; next, Marx is confronted with Malthus; and, lastly, his account of "the primitive accumulation" is shown to be unhistorical. From Marx he passes to Collectivism in general. As obstacles in the way of the perfect distribution contemplated, he notices "the difficulty of fixing the value of the hours of labour; the difficulty of taking into account the infirmities, the maladies, or relative incapacities; the difficulty of organizing a superintendence which might not degenerate into espionage." And on the impossibility of securing a satisfactory superintendence he especially insists, pointing out that "bureaucracy breeds bureaucracy." No such "social slavery" as that he deprecates, but only free competition, will favour production and progress. Even luxury is defended, on the ground that, in the long run, it raises the general standard of comfort, in a brilliant chapter that may be profitably studied in connection with M. de Laveleye's contribution to the *Social Science Series*. Finally, he clinches his argument by asking how the nations of the world are going to be persuaded to adopt Collectivism together and at once; for otherwise assuredly the capitalistic societies, being stronger, must in the struggle for existence by eliminating the others put an end to the experiment. Three-quarters of the book are thus occupied with criticism. Part IV., the last, entitled "Practical Reforms," enunciates a theory of the limits of State intervention. M. Naquet would have the State facilitate private enterprises; guarantee "the small people" against deception and fraud; furnish the worker with the weapon of education, that it may safeguard his interests; intervene to protect the liberty of the weak; oppose that which injures public health; prevent by taxation "the accumulation of too great individual fortunes," and—so our author's nationality makes him maintain—the excessive parcelling up of the soil; and, finally, "to cause the obstacles to disappear which a series of bad Governments have accumulated, and which the actual want of solidarity among the nations forces the Governments to accumulate still more." In this way, the social question—Hegel's perpetual *Fieri*—is to disappear from

the number of our anxieties, because it will go on gradually solving itself.

One word of comment. Both authors are dealing with problems of the day and the proposed solutions of these problems, rather than with the vast question that such a "spectator of all time and all existence" as Mr. Spencer raises, viz., To what degree of sociality can human nature attain? Now, it is possible to hold with M. Leroy-Beaulieu and M. Naquet that a restricted State action is best for our time, and yet to refrain from determining once for all the potentialities of humanity. To do so, is to forget that in an evolution the lower can give no clue to the higher.

A misprint must be noticed. In *The Modern State*, p. 182, Faust is credited with the words *Tin Aufang War die That.* This (if the error be not the translator's) is enough to make up for Alsace and Lorraine.

R. R. Marett.

CAPITAL, LABOUR, AND TRADE, AND THE OUTLOOK. Plain Papers. By Margaret Benson. [256 pp. 2*s.* 6*d.* S.P.C.K. London, 1891.]

We are continually being reminded, in many and diverse ways, that power political and social has passed and is passing into the hands of the working classes, and that the urgent need for the country and people is that those who wield this power should do so wisely and intelligently.

There is, therefore, need for a clear and calm statement of the facts and laws of the production and distribution of wealth in such a form as shall be interesting to and easily understood by those who, without economic or logical training, come in daily practical contact with the living problems of poverty and wealth; so as to enable them, at least in some measure, to unravel their vast complication, and to address themselves to the amelioration of some of the evils that seem well-nigh inseparable from our present condition.

In the little book before us, Miss Benson has attempted, with a considerable amount of success, to provide such an exposition of economic principles. It would be most unfair to criticize this book as we should a manual of political economy. It is necessarily and avowedly intended for those who have only a working knowledge of the questions considered, and consequently many of the most essential, as well as the secondary features and difficulties of the subject are hardly touched upon. For instance, we have by no means a complete statement of even so fundamental a difficulty as the nature of capital. Banking

and credit are treated of more or less incidentally ; taxation is hardly touched upon. Still, as far as it goes, the teaching is in the main sound, and the lessons to be inculcated are frequently clothed in telling and apt illustrations. I may instance, perhaps, especially the history of Mr. Mayor Muddlehead's Market, wherein we observe the effect of Protection and Free Trade, by comparing the fate of Sillysia, in the Island of Phalasy, with that of the neighbouring towns of Tarifton and Freetown. The concluding chapters of the book deal at somewhat greater length with the problems of Wages and the Remuneration of Labour in general, and the last chapter raises the whole subject to a higher level in its treatment of "An Abiding City." The book is especially useful for lending to the young people, lads and girls, who are the future producers and sharers of our national wealth.

E. A. Pearson.

THE LONDON PROGRAMME. By Sidney Webb. [218 pp. 1*s*. Sonnenschein. London, 1892.]

To review Mr. Sidney Webb's *London Programme* is now almost a work of supererogation : the task of passing judgment on it has practically been taken out of the reviewer's hand, and carried out by the County of London, which has elected to be governed for the next three years by a party whose views may roughly be described as those of Mr. Sidney Webb. There is, then, a reasonable prospect that his projects will soon be put to the stern test of experience ; but, without wishing to don the dangerous mantle of the prophet, it may be interesting to try and estimate how much may be feasible in the near future.

This whole question largely depends on the powers that the London County Council will have to carry out their will. Mr. Webb puts in the forefront of his book a protest against the "chains" with which Mr. Ritchie's Bill fettered the London Council, and shows that, granted London is a unique phenomenon, it is hard that it should prove itself so chiefly by impotence and helplessness that would not be tolerated elsewhere. However, in spite of the protest and in spite of the justice that underlies it, it is probable that the Council will have to dance *in its chains* for some little time to come.

Still, *The London Programme* shows that there is plenty of work to occupy the energies of the Council meanwhile. Powerless at present though it be to deal with water or gas or markets, it has the question of the tramways to settle, and the work of its predecessor to carry on in the matter of the housing of Londoners—to mention only two of the subjects which are put forward and discussed in Mr. Webb's book ; while there are other things, such as open spaces, bands,

etc., which will also occupy them, though they find no place in the "programme" as being already matters which are dealt with by the Council.

There is no fear, then, that it will be idle because it is fettered. Much useful work will be going on. The Council will be getting a more complete grip of the problems that await solution ; and, meanwhile (let us hope), that incredible apathy of the ordinary London citizen will be stirred, by discussions such as *The London Programme* affords, to take a more intelligent interest in his own needs. For this is the bottom of the whole matter—and we may wish that Mr. Webb had put it a little more clearly—that it is the much-worshipped democracy of London that is at fault: it behaves as a child in municipal matters, and therefore cannot complain of being treated as such.

Signs are not wanting that the days of its childhood are ending, and those signs are heartily welcome ; for they foreshadow a future when, not perhaps quite such a tempting vista as Mr. Webb opens, but at any rate some larger measure of common-sense comfort, will be realized for London.

W. H. Frere.

SHORT NOTICES.

THE PATH TOWARDS KNOWLEDGE. Discourses on Some Difficulties of the Day. By W. Cunningham, D.D., Fellow and Lecturer of Trinity College, and Vicar of Great St. Mary's, Cambridge ; Professor of Economic Science and Statistics, King's College, London. [241 pp. 3*s.* 6*d.* Methuen. London, 1891.]

Dr. Cunningham has here republished twelve essays, written from the standpoint of one who not only believes that the Christian faith is trustworthy, but also that it has much guidance to give for actual nineteenth-century social problems. Two essays on different aspects of the population question are especially noteworthy ; and another on "The Ethics of Money Investments" appeared in the January number of this *Review*. Besides these, there are discourses on "Charity," "Education," "Positivism," "Civil Obedience," etc. It is needless to say that Dr. Cunningham displays a competent grasp of his subjects, and that his arrangement is always lucid.

WEST BARBARY ; or, Notes on the System of Work and Wages in the Cornish Mines. By L. L. Price, M.A., Fellow of Oriel College, Oxford. [91 pp. 2s. 6d. Frowde. London, 1891.]

We cannot speak too highly of these "Notes." The information given is adequate and trustworthy ; and the author's style is clear and easy. The survival of the system of wages which prevailed in the Cornish mines so far back as the middle of the last century, is indeed a most interesting fact ; and Mr. Price is well assured that there is much that is instructive for the social reformer, as well as for the student, in the history of "Tutwork" and "Tribute."

THE SOCIALISM OF CHRISTIANITY. By W. Blissard, M.A., Vicar of Seasalter, Canterbury. With Introductory Letter by the Right Reverend Bishop Mitchinson. [121 pp. 2*s.* 6*d.* Stock. London, 1891.]

A vigorous statement of the social teaching of Christianity. Carefully distinguishing between "Socialism as a *method* involving the extinction of private in favour of collective ownership, and Socialism as a *principle* of equitably adjusting the conditions of life on the basis of brotherhood," Mr. Blissard endeavours to show that the latter is "essentially Christian."

THE HOUSING OF THE POOR. The Owens College, Manchester, Warburton Prize Essay, 1890. By F. H. Millington. [104 pp. 1*s.* Cassell. London, 1891.]

Mr. Millington's essay is to be recommended to all who wish for a concise statement of this subject. The facts of the case, the state of the law, the economic aspects, and the teaching of experience, are ably handled in accordance with proper authorities. There is a good running analysis.

FACTORY ACT LEGISLATION ; Its Industrial and Commercial Effects, Actual and Prospective. The Cobden Prize Essay for 1891. By Victorine Jeans. [96 pp. 2*s.* 6*d.* Unwin. London, 1891.]

This is a plain and terse summary of the main results of Factory Act Legislation in the past, and a forecast of the future prospect. Past experiments are justifiable, "not only on grounds sanitary, educational, and moral, but also when judged by the 'strictest rules of political economy.'" And the writer believes that, with due caution, there is still room for further State action.

DISTRIBUTING CO-OPERATIVE SOCIETIES. An Essay on Social Economy. By Dr. Luigi Pizzamiglio. [185 pp. 2*s.* 6*d.* Sonnenschein. London, 1891.]

A comprehensive treatment of the aims, limitations, and different forms of these associations. Practical difficulties of management are discussed, and a summary is given of the extent of these societies in various countries. Dr. Pizzamiglio is inspired "by the exact and scientific idea of co-operation maintained in the Pavia school," and writes *con amore*.

PENSIONS AND PAUPERISM. By J. Frome Wilkinson, M.A., Rector of Kilvington: with Notes by T. E. Young, B.A., Vice-President of the Institute of Actuaries. [127 pp. Crown 8vo. 1*s.* Methuen. London, 1892.]

Mr. Wilkinson criticizes recent schemes for Assisted State Pensions as "unworkable, inefficient, and without adequate financial basis." But while insisting on the solvency of Friendly Societies, and believing in their permanent value, he warmly advocates "a universal Old Age Pension list" on the lines of Mr. Charles Booth's proposal. The pamphlet is clearly written and to the point.

THE STATESMAN'S YEAR-BOOK: Statistical and Historical Annual of the States of the World for the Year 1892. Edited by J. Scott Keltie, Librarian to the Royal Geographical Society. [1152 pp. Post 8vo. 10*s.* 6*d.* Macmillan. London, 1892.]

The twenty-ninth annual publication of this valuable book of reference more than maintains the well-earned reputation of its predecessors. No pains have been spared, as heretofore, to secure thoroughness and accuracy of information for the political student, and there are some important new features. Chief among these is the introduction of maps showing the Density of Population of the Globe, the Distribution of the British Empire, the Partition of Africa, and the International Frontiers of the Pamirs. The delay in publication has been due to the editor's desire to incorporate the latest results of various National Censuses, and other statistics quite recently issued.

A PLEA FOR LIBERTY: An Argument against Socialism and Socialistic Legislation. Edited by Thomas Mackay. [326 pp. Post 8vo. 2*s.* Murray. London, 1892.]

A third and cheaper edition of this volume of essays is good evidence that, whether or no Englishmen are passing "from Freedom to Bondage," at any rate they are ready to hear the warnings of the

Cassandras of to-day. The present edition is somewhat different from the original form. Two articles have been omitted—those dealing with Free Education and Electric Lighting ; and a short paper on "Self-Help *versus* State Pensions" has been added by Mr. C. J. Radley, late High Chief Ranger of the Ancient Order of Foresters. The latter, in keeping with the general tenor of the book, aims at showing the evils that may result from any direct action of the State in promoting pensions for the aged.

THE FRENCH REVOLUTION. By the Rev. Prof. J. E. Symes, M.A., Principal of University College, Nottingham. [160 pp. Crown 8vo. 2*s.* 6*d.* Methuen. London, 1892.]

We have here, within short compass, a clear outline of a great historical subject, concluding with some homely lessons in political science to be learned from the results of the French Revolution. The sketch is well-written and readable : there is also a useful reference table.

POVERTY : ITS GENESIS AND EXODUS. By J. G. Godard. [160 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

Publishers are now very fond of a " Series : " but even the popular *Social Science Series* is likely to be hampered by inferior books such as this one.

THE IMPOSSIBILITY OF SOCIAL DEMOCRACY. By Dr. A. Schäffle. With a Preface by Bernard Bosanquet, M.A. [419 pp. 3*s.* 6*d.* Sonnenschein. London, 1892.]

This work forms the " positive critical supplement " to the author's earlier book, the *Quintessence of Socialism*, which first appeared in 1874. The three letters of which it is composed, were originally written in the years 1884 and 1885, and have now been revised and brought up to date.

The first two letters contain a vigorous and trenchant polemic against the whole position of the Social Democracy, as viewed by Dr. Schäffle. The English editor rightly reminds us that the author is dealing mainly with conditions as he finds them in Germany, and therefore certain qualifications are necessary in applying his criticisms to the corresponding movement in England. For instance, it is true that the irreligious and materialistic tendencies under consideration are not actually contained in the principles of Socialism, as, indeed, Dr. Schäffle has pointed out in the *Quintessence*. But, in fact, these tendencies have so largely occurred in connection with the more violent propaganda of Social Democracy abroad, as to justify Dr. Schäffle's

attention. And, even in England, it is not altogether improbable that, with the growing recognition and open avowal of the individualistic basis of the extreme form of Democratic Socialism, these same elements may again come into greater prominence. We can gain nothing by blinking our eyes to facts. It is worse than useless to lull ourselves into a false sense of security by mistaking a temporary suspension of hostilities for a permanent reconciliation of mutually opposed principles and methods.

The third letter will be found to be the most valuable and suggestive for English readers. Here Dr. Schäffle develops his programme of "Positive Social Reform," as the best means of counteracting the revolutionary aims and tactics against which he writes. It is especially noticeable that, for Dr. Schäffle, "the Social question par excellence is the question of *the retention of the peasant-class.*" And herein his opinion has been practically endorsed by his opponents in Germany, who have been much concerned recently with what Liebknecht, adopting a phrase from Bismarck, called "Peasant-fishery."

In Memoriam.

THE REV. W. J. H. CAMPION, M.A.

As the pages of the present number were passing through the press, the news came with a sudden shock, on the evening of April 4th, of the death of the Rev. W. J. H. Campion, M.A., Tutor of Keble College, Oxford. As one of the editors of the *Economic Review* since its inception, he has all along been closely identified with its interests; and what measure of success has been so far attained is due in no small degree to his clear judgment and quiet unstinted labour. Up to the very last, he willingly found time, amid the pressure of his academic duties, to assist and forward our work in every possible way. Moreover, as one of the earliest founders and most steadfast and painstaking supporters of the Oxford House in Bethnal Green, he has given constant evidence of his real concern for the well-being of our poorer population. And in this, as in every other relation of his life, he never failed to display that gentle modesty, and that self-sacrificing charity, which, though for the most part not "seen of men," yet form the highest qualities of the Christian spirit.

R. I. P.

METHODS OF INDUSTRIAL PEACE.[1]

THE existence of industrial war all around us is a fact of which, unfortunately, none of us can be ignorant. It is a guerilla warfare perpetually going on in every industrial community, now in one industry or locality, now in another, and scarcely regarded by the general public; varied now and again by sustained campaigns, involving great interests and attracting general attention. And it is a warfare which, in its moral effects, is far worse than that with sword and gun. It does not unite a people in a common enthusiasm, in a common grief: it divides the nation; it stimulates class antagonisms; it creates among the members of a community who must perforce continue to live side by side, "envy, hatred, and malice, and all uncharitableness."

And as this is so, it is not well to ignore it. Yet no student of social affairs, especially on this side of the Atlantic, can have failed to notice a very curious disposition on the part of the great majority of the better-to-do classes,—especially among persons of the professional classes, who do not come, as manufacturers or merchants do, directly into contact with labour troubles,—to put all the questions which this warfare suggests impatiently aside; and to imply, by a manner which it is impossible to describe—a smile of pitying amusement or indulgent condescension whenever the topic is touched upon—that the whole subject is a bore. Disputes about dollars and cents are so sordid; there is so much loud-voiced advocacy of the claims of the working-man, and so much unreal sentiment, that people of culture do well to try to forget all about such troubles; and if any one who apparently has no selfish aims to serve is so absurd as to talk earnestly about them—well, that is an amiable weakness that will soon wear off!

[1] A public lecture delivered before the University of Toronto, January 23, 1892.

But the policy of the ostrich is not one that can be commended for human imitation; and it is not one that thoughtful men and women can permanently follow. The strongest intellectual and spiritual forces at work among us, Religion and Science, bring us face to face, whether we like it or not, with the industrial problem. That this is so with Religion is becoming increasingly apparent. And the other great force, Science, finds more and more that it cannot stop with the material and physical: it is driven on by a consuming desire to realize all existence as an ordered whole, and cannot leave the social organization outside its ken.

Let us, then, take an hour to look quietly at the industrial situation. We cannot, indeed, in that space of time look at every part of the complex social question. We shall not consider, on this occasion, the difficulties created by the demoralized class who seek a livelihood without work. We shall not consider the causes of those great fluctuations in trade which, from time to time, so seriously affect whole industries. We shall assume, for the present, that these fluctuations are beyond our control; we shall assume that, nevertheless, there is employment to be given to a number of workmen. Then we cannot help seeing that a difficulty does, as a matter of fact, present itself as to the remuneration which the workmen, in the varying conditions of business, are to receive; and it is equally evident that the difference of opinion on this point between the two parties is the main cause of strife between them. It is, then, to the wages question that our attention must chiefly turn.

But it may be asked, Why should there be any warfare at all? Do not the forces of supply and demand assign to the workman the wage he is to receive? Undoubtedly; when that phrase is properly explained. But if it is meant thereby—as was frequently supposed in England during the first seventy years of this century, and as is still very commonly believed in America and Canada—that if the men are absolutely isolated, without any combination, and make each of them a separate contract with the employer, there is some economic force which will secure to every one his just wage; if this is what is meant by "supply

and demand," then it has to be distinctly declared that such an opinion is no longer held by any economist of the first or even the second rank. The older economists did indeed hold various doctrines which seemed to have that conclusion; especially the so-called wage-fund theory, according to which there was only a certain given amount of capital which could be spent in wages, and if one workman got more than his proportion, another simply got less. But all these theories have long ago been given up. John Stuart Mill himself explicitly retracted his wage-fund doctrine in 1870. What modern economists teach is that, *within certain limits*, the reward of labour depends on the terms which the labourer can succeed in securing for himself. In his negotiations with the employer, many circumstances may affect the result, and among them the circumstance of his being united with his fellows or not. "Supply and demand" is only a short phrase for the majority of those circumstances which affect the workman in bargaining with the employer. It is, indeed, merely another and pseudo-scientific term for the struggle of interests which leads to the social war we deplore. The supply of labour does not become any the less a supply when it is organized; just as war does not become any the less war when it is waged between disciplined armies.

Yet though we recognize that the relation between employer and employed is usually one of hostility, we need not exaggerate the evil. It is certainly not true that the relations between employers and employed are becoming worse; that, as some alarmists tell us, "there is a widening gulf between social classes." It is hard to understand how any one can think so who knows anything of the miseries and perils of the period in England between 1820 and 1850; who has ever looked at the pictures of class warfare and bitter hatred which are to be found in such books as Mrs. Gaskell's *Mary Barton* and *North and South*. There has, beyond all question, been an improvement in the material condition of the working classes in the last fifty years; and with it has come a moral and an intellectual improvement. On the other side, the advent of democracy together with hard experience have taught the masters more consideration

for their men. America is, perhaps, a little behind in this upward movement; though it must be noticed that the worst difficulties of late years have been with alien nationalities, such as Hungarians, who are devoid of the social training which combination and self-government have given to the English-speaking working class. But though things are not as bad as they are painted, they are bad enough. That we cannot find a better way to determine the shares which the various agents contributing to production shall receive from their common produce, than to suspend work until one or other side is ruined or starved into submission, is an enormous defect in the midst of our civilization.

The difficulties in the way of the satisfactory solution of the problem are so great that a considerable party has arisen which urges that no suggested remedy short of a complete abolition of the present industrial organization is worth applying. This party, commonly called Socialists, united as it is in its criticism of the existing order, is yet itself divided into two sections—that of the Socialists proper and that of the Anarchists, who differ fundamentally in their conceptions of the form which the regenerated society of the future is to take. The Socialists look forward to a system of production and distribution carried on by a great state, such as England, Germany, or even one so large as the United States, as a whole, with perhaps subordinate organs of local activity in the various territorial divisions; all, however, subject to the regulating and organizing authority of the central power. To use a term which has lately come into use in America in this particular sense, they are "Nationalists;" their hopes are based on the transformation, but still the retention, of the modern state. The Anarchists, on the other hand, regard the modern state as itself one of the evils that have to be abolished. Their vision of the future is that of a number of little village communities, each completely communistic within itself, very loosely bound to one another by a friendly feeling of confederation, but without any central authority or controlling power. Even within the village itself, it is to be a sense of mutual fellowship and common interest which is to guide their joint efforts, rather than any distinct coercive authority on the

part of the majority. It is from this objection to the principle of authority that their name, "Anarchists," was originally derived; and not from a love of chaos for its own sake, which no one out of Bedlam could be guilty of.

First, then, a word or two as to these Anarchists. I need hardly say that towards all those, whether they are called Anarchists or not, who commit acts of violence, the duty of the community is absolutely clear. There may be men among them who have been infuriated by the misfortunes of their lives, or misled by wild theories, and who are able to maim and kill their fellow-men with as little malice against them individually as an inquisitor felt towards a heretic, or Cromwell towards Irish Catholics. But murder and violence, with the highest motives, are murder and violence still; and as the protection of life is the very foundation of society, society—so long as it exists—must for its own self-preservation punish the acts of violence committed by fanatics precisely as it would punish them when committed by footpads and burglars. But in making this comparison, it is also implied that, in the trial of Anarchists, the question of the actual guilt of the accused should not be prejudged by any unnecessary reference to their opinions.

There are, indeed, many Anarchists who would altogether disapprove of any such premature attempts on the part of individuals to hasten the revolution; and the doctrine of such distinguished men of science as M. Elisé Réclus and Prince Krapotkin, of such a distinguished poet and artist as Mr. William Morris, deserves to be considered on its own merits. They are of opinion that, after prolonged propaganda, the masses will be convinced of the justice of their proposals; that the people will rise in their might; and, with little or no resistance, the new order will be established. Mr. William Morris, in charmingly written poems and prose idylls, is never tired of picturing that happy time "when all *mine* and all *thine* shall be *ours*;" when, in reply to the question, "What wealth, then, shall be left us when none shall gather gold?" the answer shall be—

"Nay, what save the lovely city and the little house on the hill,
And the wastes and the woodland beauty, and the happy fields we till,

"And the homes of ancient stories, the tombs of the mighty dead,
And the wise men seeking out marvels, and the poet's teeming head,

"And the painter's hand of wonder; and the marvellous fiddle-bow,
And the banded choirs of music :—all those that do and know.

"For all these shall be ours and all men's; nor shall any lack a share
Of the toil and the gain of living, in the days when the world grows fair."

It is hard to have to subject these pleasant fancies to cold criticism; but Mr. Morris, by the active part he takes in propaganda, forces us to do so. It will be observed that, even if the overwhelming majority of people in any particular country had become convinced Anarchists, and the owners of property had been either converted or overpowered, the problem of the organization of industry would yet remain. Even if we can suppose the enormous aggregations of population in our unlovely cities dispersed, and smaller groups formed; even if many of the articles of common use could be made in such small communities; their inhabitants would need to be gifted with superhuman wisdom and devotion to the common weal each to apply himself to precisely that employment which it was desirable he should undertake. And then it is obvious that, at the stage at which we have arrived in the development of manufacturing processes, many staple articles could not be made at all in self-contained village communities: the great foundry, the great mill, the great factory, imply necessarily much exchange of products between place and place, which could not regulate itself. They imply, moreover, in every such centre of "the great industry," the authority of industrial chiefs and a detailed division of labour. The Anarchist plan, therefore, is no plan: it is an appeal to us to destroy what exists, in the hope that during the upheaval so vast a supply of additional wisdom and brotherly love will be developed that a new society will spontaneously come into existence, able altogether to dispense with restrictive regulation. It is an extravagant appeal to faith, which could only come from men whom the keen perception of existing social troubles had blinded to all sense of probability.

The position of the Socialists proper is, in comparison, far more

reasonable, in that they look forward to the maintenance of the State and to the exercise of an authoritative control over the production and distribution of wealth. Indeed, there is a certain sense in which many statesmen and economists who are essentially conservative may be called Socialists. They realize that the individualism, the unrestrained competition, of fifty years ago was excessive and dangerous in its consequences; they are in favour of a cautious and gradual extension of State action; and they anticipate that the organization of industry a century hence will be far more social than it is now. On the other hand, they perceive that individual self-interest, if it has its evil results, does also furnish a motive-power towards exertion and towards improvement in the methods of manufacture and distribution, which we do not as yet see how to replace; and they are by no means confident that socialism will be an ultimate panacea, any more than individualism has been. Moreover, the virtues and mental habits requisite in a socialized community must necessarily be of slow growth; and the present condition of national and municipal politics, especially in democratic countries, suggests the utmost deliberation in our measures. To the economist of to-day, the fact that a measure creates State management or control is not in itself an argument in its favour, any more than that it should leave a free field to individual action: each case must be judged on its own merits, without reference to abstract principles.

Such a position would not satisfy most of those who call themselves Socialists. They believe that the time is ripe, or almost ripe, for the transference of the means of production from private to public control. They believe that their doctrine of value, according to which all wealth is created by labour, and therefore the labourer is constantly being robbed of a great part of what he produces,—they believe that this doctrine proves the justice of a confiscation of the means of production without compensation. But it is impossible to allow that the social evolution has reached a stage in which an easy transition to a socialized system is possible. And their doctrine of value, for which they can with a certain justice claim the high authority

of Ricardo, is no longer held by any competent economist; and, in the sense in which they understand it, is certainly untrue. Of course the ultimate test of justice is the good of the community; but until they can allege far more conclusive proof of the benefits to be derived from such a confiscation, society will be justified in using all the weapons at its disposal to defend what has hitherto been the basis of social progress—the right of private property.

Of that extraordinary hybrid of extreme individualism and extreme socialism which is known as Land Nationalization, it is scarcely necessary to speak. One hardly likes to say it of a man so sincere, so stimulating in his influence as Mr. Henry George; but to believe, as he apparently does, that it would be possible to pluck up by the roots from the human mind the idea of private property in land and leave undisturbed the idea of property in everything else, is to live in a fool's paradise. And even if that could be done, it is impossible to maintain with any show of reason that the confiscation of land-values would contribute towards the solution of the difficulties incident to the relations between employer and employed.

So much, then, for *revolutionary* proposals—proposals to remedy social evils, and in especial to overcome labour difficulties, by the removal of one of the bases on which society has rested up to the present, the institution of private property, together with that power of individual initiative in industry which goes along with it. Limitations may have to be put from time to time, in the interests of the community, on the exercise of the right of private property; but these will not be such—for a period, at any rate, beyond our present ken—as to destroy the right itself. Let us now examine some of the methods which have been advocated from time to time to overcome the friction between the employing and the employed classes, without disturbing any of the rights recognized in the existing social order.

The first of these is *co-operation*. In using this term I am not including what is known as distributive co-operation, or co-operative stores. These have been of very great benefit to

the working classes in the north of England and in Scotland; though they have not seemed to suit the temperament of the American people. But co-operative stores, though they cause wages to go further, though they encourage thrift, and educate their members in self-government, do not touch the heart of the industrial problem—the determination of the rate of wages. Nor, again, in speaking of co-operation, is it necessary now to discuss the proposal which was made in Germany by Lassalle, and which was to some extent carried out by the government of '48 in France; the proposal that the State should advance capital to groups of working men to enable them to set up co-operative enterprises, in the hope that they would so prosper as ultimately to drive the private capitalist out of the field. The French experiments failed miserably; and in Germany the social democrats have at last recognized the hopelessness of any movement in that direction. The co-operation of which we are speaking is the effort on the part of a group of workmen, with capital either saved by themselves or voluntarily lent to them, to engage in industrial enterprises in a corporate capacity, without an individual employer; to be, in fact, as a corporate body, their own employers. It is not an attempt to dispense with the capitalist; for they are either their own capitalists or have to appeal to capitalists outside. It is an effort to obtain for the workmen, in addition to wages, the *profits* (in the strict sense of the word, as distinct from interest on capital) of the employer. Those who advocate such attempts believe that if only a few such undertakings were successful, they would be so generally imitated that the present system of employment would gradually disappear. Of such hopes we must speak with sympathy and respect. They have been cherished by some of the noblest men of this century; they have been regarded by eminent economists as the one chance of escape for the working classes from a desperate position; and endeavours have again and again been made to realize them with dogged determination and heroic endurance. Some of the efforts, especially in quite recent years, of bodies of Knights of Labour,—unselfish efforts of those who could not themselves engage in the venture to save capital

and lend it unconditionally to those who were to lead the forlorn hope,—have been an honour to human nature. And yet, if the experience of the last half-century teaches anything, it is that such efforts are hopeless as means of displacing the present system of employment. The co-operative movement, even in the judgment of its enthusiastic advocates, is still in precisely the same elementary and tentative stage as it was fifty years ago—with this difference, that its literature is filled with the record of a long series of failures. For all co-operative undertakings have split upon one of two rocks: either they have not been able to secure the business talent for their management that was necessary to find and keep purchasers; or, if they have prospered, they have become mere joint-stock undertakings, differing only from other joint-stock undertakings in that the shares are of small amount and are held by artisans. In cases of this latter kind the shareholders have soon come to be distinct from the workmen; indeed, the shareholders themselves, so one is told, have often preferred not to work in their own mill. Most co-operative enterprises, however, have failed owing to the other cause I have mentioned—the inability to secure the business skill requisite for success. One of the most considerable changes that has come over recent political economy is the increased importance now assigned to business skill. And this new emphasis is very largely the consequence of an actual increase of its importance in real life. We realize now that what is called, using a French term, the function of the *entrepreneur* is something distinct from that of the capitalist, and quite as important. It is unfortunate that we have no satisfactory English term for what the French call the *entrepreneur*, the Germans the *Unternehmer*. In the time of Adam Smith, the word *undertaker* was used in that sense; but it has since gained a special significance for another purpose, which would make it ambiguous in economics. We have usually to fall back on the term *employer*, though that only expresses a part of what we mean. By the *entrepreneur* we mean the man under whose generalship a business undertaking is carried on; who not only organizes the technical arrangements

of manufacture, purchases materials and engages labour, but also secures a market for the product.

The need for the *entrepreneur's* ability is increasing rather than decreasing, with the growing complexity of business, and the widening of the area of competition. So far as the commercial elements in the problem are concerned, the chances for productive co-operation are therefore much less than they were thirty years ago. The one considerable success which co-operative production has secured in recent days—that of the coopers at Minneapolis—was precisely one of those extremely rare cases where no business skill was necessary: the gigantic development of the milling industry was so rapid that anything that could hold flour was sure of a purchaser. But such are not the ordinary conditions of trade.

The "captain of industry," the *entrepreneur*, the man who "engineers" a business, is then, under present conditions, and under conditions which are likely long to continue, indispensable. Recognizing this, some writers of eminence have advocated a plan which, while it retains the *entrepreneur*, will yet, in their opinion, remedy the want of sympathy between the employers and employed, and prevent recourse to such barbarous measures as strikes and lock-outs. This proposal is what is known as *profit-sharing*. The plan is variously stated; and the experiments actually made have differed from one another in important features. In some cases, known more particularly as industrial partnerships, the employés have become in their corporate capacity one of the shareholders in the business, and have received dividends as such. Here the experiment has many of the features of a joint-stock company. But it will be sufficient for our purpose to consider the scheme as it is presented in a recent and widely-read work by Mr. Gilman, and as it is illustrated by most of the examples he there recounts. It is, in brief, this: the men are promised the usual wages of the trade or neighbourhood; the employers ask for themselves the ordinary profits of the business. Then it is announced that whatever profits are made over and above these two first charges, if any, shall be given in whole or in part to the men. The fundamental

idea is that the additional profit will be such as the men, by greater diligence, economy, and thoughtfulness, *will themselves create.* Even if it is all distributed to the men, the employers will be financially no worse off than before, with the great gain of no longer being troubled by labour difficulties. Community of interest will take the place of suspicion and contention.

Now, there are probably circumstances in which some such scheme as this may be introduced to great advantage. But, as a means of overcoming the dangers incident to the wage system, it suffers from several fatal defects. The first and most formidable is, that it does not even profess to meet the essential difficulty—the determination of the ordinary wage. Let us suppose a factory in which the wages at the time the scheme is set on foot are $400 per annum per man. Let us further suppose that, by additional care and energy, the men enable the business to earn *extra profits,* which allow of each man's receiving at the end of the year a bonus of $50. He thus gets $450. But now suppose trade becomes exceedingly prosperous, or, what for our purposes is the same thing, is thought to be so by the men, and the men in the same occupation outside that particular factory demand from their employers a rise in wages equivalent also to $50. Then the question arises, Are the men in that factory to join in the demand? They may fairly say, "Here is a state of prosperity, which is bringing about gains over and above those we ourselves earn by our extra diligence. The '*extra-diligence-gains,*' as they may be called, we have a right to already. Is that to prevent our getting the '*prosperity gains,*' as they may be called, which other men in other factories are likely to get without displaying our extra diligence? If so, we had better renounce the profit-sharing scheme altogether, and take our chance with the rest of our fellow-workmen." The same thing is true on the employers' side. When the scheme is set on foot, trade may be dull, and the dividend which the employers may think right to reserve to themselves comparatively low. But then business brightens, and additional gains are secured *over and above those due to the extra diligence of the men*—gains which other

employers, who have not introduced the profit-sharing plan, are also securing. "Are we," they may say, "to give away these additional gains, which are due, not to the improved labour of the men, but to the general conditions of business?" This is not mere theory. It was precisely difficulties of this kind which led to the failure of the celebrated Briggs experiment. The fundamental idea of the profit-sharing plan condemns it as a solution of the wage difficulty. By the very limitation of its action to the *additional* profit gained by additional energy and care, it renounces the attempt to determine how wages and profits shall be affected by all the other and larger general causes of fluctuation in business returns.

The other objection is even more conclusive in practice. It is that in most of the great manufactures, in most of the typical industries of our own time, the additional energy and economy which a profit-sharing scheme might call forth, would either not substantially add to the profits of the concern, or to so small an extent that the division of that extra profit among the men would not furnish a stimulus to kindly feeling sufficient to overcome labour difficulties. The shining example of the Maison Leclaire does not disprove this. The business of a house-painter is precisely one in which the returns are to a very considerable extent dependent on the industrial qualities of the men. But in most of the great industries, the profit depends so very largely on commercial considerations; it is so often "made in the counting-house rather than in the workshop;" and the organization within the workshop is already so good; that no substantial profit is to be looked for from this source.

It must be added that many of the experiments in profit-sharing on this side of the Atlantic have been consciously entered upon in order to defeat the trades-unions. But the abler men among the working classes have a feeling, which is justified by the history of the present century, that combination gives them a power which it would not be wise to surrender. The whole spirit of profit-sharing, as it has been attempted in America, is that of a paternal despotism—a spirit which, for good or for ill, has ceased to be in harmony with the temper of English-speaking workmen.

All such schemes, then, fail to satisfy our judgment. Is there, therefore, no hope for better relations between employers and employed? I think there is, though it may seem feeble and unattractive, compared with the panaceas we have been considering. Looking back on the past development of industry, we shall observe that the great changes have usually come very gradually, and they have usually been unconscious in their initiation. The doctrine of evolution moreover teaches us that the most that individual reformers can do, in relation to the main structure of social organization, is to discover the direction in which more or less unconscious forces are tending, and endeavour to utilize them. Now, looking out on the world of industry during the present century, is there any movement which bears this impress of spontaneous and inevitable development? Surely the Trades-Union movement has that character. Beginning in England at a time when all the old limitations on the part of the State on the free enterprise of employers had been removed, but the employed were still under the heavy weight of the combination laws; forcing its way through a period of bitter hatred from the employers, of scorn from the economists, and too often of violence on the part of unionists themselves; it has reached a period of stability and permanence, wherein unionism is reckoned as one of the enduring forces in English life, and, on the whole, a force making for good. From England it has spread to this side of the water. With many ups and downs, it has succeeded in creating a number of strong international societies; and, in some shape or other, labour combinations have managed to obtain a foothold in well-nigh every industry. Were I speaking in England, it would be unnecessary to say much more with regard to the general position of trades-unions. It is now recognized in all the staple industries of England that trades-unions are, to use an expressive phrase, "there to stay." Most observers would go further, and declare that, to a very considerable extent, they had improved the relations between employers and employed. The officers of the great unions are shrewd and experienced men—men who are most unwilling to sanction a strike unless there seems to be

a reasonable prospect of success, and who are accordingly constantly exercising all their influence to prevent extravagant demands. Strikes, when they do come, are still hardly fought, and grievous enough; but they come less frequently. And for the general prosperity of a trade, and for reasonably amicable relations between masters and men, a great contest once in ten years, with the issue clearly defined, is infinitely better than a perpetual succession of disputes and collisions. Moreover, the masters realize that the stronger the union is, the abler as a rule will its leaders be. Supposing the masters have a good reason for making a reduction or refusing a rise, they have a much better chance of convincing the leaders, and, through them, of securing the acquiescence of the men, than if they had to deal with an unorganized mob of individuals.

But it is very apparent that the feeling of the comfortable classes in America is still in the same stage as that reached by the like classes in England a quarter of a century ago. If any economist in England were to take the trouble to say publicly that combinations of workmen are an inevitable result of present social conditions, and that employers would do well to recognize this fact, he would be listened to with a mild surprise that any one should care to say anything so obvious. When an economist says the same thing on this side of the water—guard himself as carefully as he may against being supposed to justify unwise demands—he is very generally regarded as an unpractical sentimentalist, if not as one who curries favour with the populace. And it is extraordinary how deep is the ignorance of conditions outside America, among those whose duty it is to know them. I remember some five years ago, one of the most distinguished of American writers on economic subjects, after telling me that the labour agitators of his own country were "cranks," going on to say that, after a time, no doubt things would quiet down, and the labour combinations would confine themselves to the innocuous functions of the English unions. On being asked what he supposed the English unions were, he had no hesitation in saying that they were now merely friendly benefit societies, and no longer interfered with the freedom of contract. He was

utterly unaware that, in more than one of the great industries of England, bargains made by individual workmen, or even by the workmen of a particular factory or mine or mill, are things of the past; that wages are regulated by elaborate lists of prices, applicable to the whole industry or to a great district,—price-lists in the construction of which the unions, as a rule, have taken an equal part with the associations of the masters.

The work of educating public opinion, which was begun some twenty years ago by a small group of liberal Churchmen like Mr. Hughes, and of Positivists like Mr. Frederick Harrison, Professor Beesly, and Dr. Ingram, is still incomplete on this continent. The trades-union movement is not only, as even John Stuart Mill recognized, an inevitable effort on the part of the working classes to secure a real freedom of contract which, isolated, they could enjoy only in name. It is more than this: it is the outcome of a true instinct of the nature of the social problem. It is based on the feeling that the problem is not how to enable a few specially thrifty or talented workmen to escape out of their class; but how to raise, materially and morally, the class as a whole. The modern organization of industry compels the great majority of men to remain hand labourers. All the men in a mill cannot sit in the manager's office, just as all the sailors in a ship cannot be its captains; and it is the lot of those who must continue in the rank and file that trades-unions seek to improve.

The backward state of public opinion in America and Canada is of course due not to any "double dose of original sin," to use Mr. Gladstone's phrase, but to very evident causes. The industrial development has itself been later. The chances of "getting on" have hitherto been so much greater than in England that class feeling and class loyalty have been feebler. The unions have been weaker, and in consequence have done more foolish things; their leaders have often been of a lower calibre, or their better men have risen out of the labour ranks and left the movement, and as a consequence there has been more violence. The employers, on the other hand, as a rule have themselves been men who have risen, and they have felt

that the conditions under which *they* managed to get on must be pretty satisfactory. And again, American working men, with a certain fondness for mere magnitude which their continent possibly suggests, have again and again been eager to get beyond the slow work of local organization. They have hastened to form enormous associations with hundreds of thousands of members, which appear for a time as if they would sweep everything before them, and then crumble to pieces, and give the cynical onlooker occasion to scoff. But every year the industrial conditions of the manufacturing and trading centres of the New World become more like those of the Old; and the character of labour combinations and of the men who influence them more and more tend to be identical all over the English-speaking world.

Trades-unions are, of course, in the first instance, organizations for fighting purposes, so that it may seem odd to speak of an appreciation of their natural place in modern life as itself tending towards industrial peace. But it is surely evident that many of the obstacles to agreement in labour disputes arise from a refusal to recognize, or a tardy and grudging recognition of, the essential principle of unionism: *i.e.* that the men are justified in uniting to make common terms. If only these preliminary difficulties could be cleared out of the way; if only all unnecessary causes of irritation and soreness could be removed, there would be far more chance of a speedy and sober settlement of the business questions really at issue.

Yet if it seemed that trades-unions would permanently remain mere fighting combinations, though we might look forward to the future without foreboding, the outlook would not be cheerful. But the most weighty reason for acquiescing in the principle of unionism is that efficient unions are the necessary basis for the mechanism which is gradually springing up for adjusting labour disputes without fighting them out to the bitter end. The elementary form of that mechanism is *Arbitration.* It is surprising to find, in reviewing the great labour struggles in Toronto during the last twenty years, that in but one has there been any definite recourse to arbitration; the nearest

approach to it has usually been irregular and unauthorized mediation. Surely it is time that it should occur to employers and employed that it is worth while to make a trial at any rate of a method of adjusting difficulties which has elsewhere repeatedly given satisfaction to both parties, and prevented a vast amount of suffering and loss. Employers feel, no doubt, that to consent to arbitration is a sign that they are not absolutely convinced as to the justice of their position in all its parts; but the experience of the past ought to have shown them that they had occasionally, to some extent at any rate, been mistaken. And if in an arbitration—conducted by a representative from each side, with some eminent lawyer or financier chosen by the two to give the casting vote if necessary,—if in such an arbitration they sometimes gained less than they anticipated, the speedier termination of the struggle would more than make up for the loss. Doubtless there will be found among our "leading citizens" men public-spirited enough to act as umpires in such discussions.

But it is essential to observe that to appeal for the application of arbitration is not the same thing as to propose the establishment of a State board, whether with or without compulsory powers. With that haste to get at the large result to which I have before alluded, no sooner was arbitration seen to be effective in some instances in Europe, than laws were passed in certain American States establishing State boards for the purpose. But it ought to be evident that the less legislation has to do with the matter the better. The award of the arbitrators will carry no weight unless the two parties have voluntarily agreed to lay their differences before them, and unless the arbitrators themselves are men in whom the parties have confidence. But there is a further reason why arbitration has been less successful on this side of the Atlantic than on the other. It has often either disregarded the existing unions, or it has been attempted in industries where strong unions did not exist. But unless the men are used to acting together, unless they are accustomed to be guided by officers of their choice, you cannot expect them to abide by the award when it chances to go against them.

Efficient unions are the necessary condition for the successful working of arbitration.

But arbitration has the defect of only being applicable when a dispute has already arisen. Is it not possible to devise some permanent mechanism which will prevent disputes; which will readjust wages from time to time to meet altered conditions, and this with the acquiescence of masters and men? Such a mechanism has been found in the *Boards of Conciliation*—committees, that is to say, of equal numbers of representatives from the two sides in some great industry, with perhaps an ultimate referee from outside. Such boards have for years been working with encouraging success in the hosiery trades of Nottingham, Leicester, and Derby; in the lace trade in Nottingham; and in two industries of far greater extent and importance—the manufactured iron trades of the north of England and South Staffordshire, and the coal trades of Durham and Northumberland. That in the manufactured iron trade of the north of England has been in existence some twenty-two years; those in the coal trades some eighteen years. It would be instructive to examine each of these trades at some length, and notice how far the details of the mechanism need to be modified to meet special circumstances. For particulars of the various organizations, I must for the present refer you to Mr. Price's *Industrial Peace*, published by Macmillan in 1887, and Mr. Crompton's *Industrial Conciliation*, published in 1876. This latter book, which is a very effective piece of exposition, is now out of print, but it can be obtained without much difficulty. It will be sufficient for me to mention one or two facts about the board in the hosiery trade of Nottingham, the creation very largely of Mr. Mundella, who is not only a politician but also a hard-headed and successful man of business. When the scheme was first set on foot in 1860, the conditions were as bad as they well could be. There had been repeated strikes; and the masters and operatives were mutually hostile. When the men thought the condition of trade justified a rise, they would send, says Mr. Mundella, "deputations from trades-unions round to the hosiers' warehouses. At one warehouse they would be told to walk downstairs;

the masters would not acknowledge trades-unions. At another they would be told, 'Well, we shall wait till we see what our neighbours do.' After going round to the different firms and being received in that way, the chances are that the men would go home and strike." A fresh struggle seemed to be impending, when the wiser heads among the masters hit upon the plan of a joint board of conciliation, and, in a conference with the union leaders, worked out a scheme for its constitution. "It is impossible to describe to you," says Mr. Mundella, "how suspiciously we looked at each other. Some of the manufacturers also deprecated our proceedings, and said we were degrading them." But the plan was from the first a great success. It is true that "the very men that the manufacturers dreaded were the men that were sent to represent the workmen at the Board." But Mr. Mundella's verdict upon the once-suspected union leaders is that they were "generally the most intelligent men. . . . They have been," he says, "the greatest barriers we have had between the ignorant workmen and ourselves." How great the success of Mr. Mundella's board has been will be perceived when it is stated that it fixes the price of all piecework on not less than 6000 different articles. "It amounts to a code of rules, regulating the particulars of the whole trade, sometimes lasting without change for as long a period as two or three years. . . . The board meets once every three months, but may be called together oftener should occasion arise."

But again let me remind you that the success of the arrangement, so far as the men were concerned, depended on the fact that the great body of them were accustomed to act together, and to be guided by the advice of their chosen leaders—that it depended, in short, on the existence of labour combinations. The breakdown of one of the first boards, that in the South Staffordshire iron trade, since happily reconstituted, was due to the weakness of the union. The programme for the formation of the new board expressly declared that the reason of the failure of the old board had been that it was "quite powerless to bind those men who were not in the Ironworkers' Union; even when the master himself was bound."

Do not understand me to imply that mechanism such as I

have described can be set up all at once in any country in every industry; or that, when set up, serious perplexities may not arise as to the principles which are to govern its action. What is meant is rather this. Here, in trades-unionism, is a great spontaneous outgrowth from existing industrial conditions. Here in arbitration, still more in boards of conciliation, we can discern the beginnings of a better social order—a method of industrial peace, which substitutes reasonable argument and agreement for passion and warfare. Is it not the duty of those who are placed in a position to advance the cause of peace, to give some serious thought to facts like these; and when next some trade dispute is nearing, to ask themselves whether they do not suggest a practical alternative to the old weapons of starvation and ruin?

W. J. Ashley.

NOTE.

Since the foregoing lecture was written, additional and most cheering evidence of the spread of methods of conciliation in England has come to hand in the *Report on Strikes and Lock-outs of* 1890, by the Labour Correspondent of the Government Board of Trade (to be obtained for 2*s.* 11*d.* from Messrs. Eyre and Spottiswoode, London). This brings the history of the movement down to November 30, 1891. Appendix III., pp. 226 seq., contains an account of the *London Conciliation Board*, which has been created by the joint efforts of the London Chamber of Commerce and the London trade-unions. The duties of the Board, which is composed of an equal number of representatives of employers and employed, are thus defined:—

"They shall, in the first instance, invite both parties to the dispute to a friendly conference with each other; offering the rooms of the Chamber of Commerce as a convenient place of meeting. . . . In the event of the disputants not being able to arrive at a settlement between themselves, they shall be invited to lay their respective cases before the Board, with a view to receiving their advice, mediation, or assistance. Or should the disputants prefer it, the Board would assist them in selecting arbitrators, to whom the questions at issue might be submitted for decision.

"The London Conciliation Board shall not constitute itself a body of arbitrators except at the express desire of both parties to a dispute, to be signified in writing, but shall in preference, should other methods of conciliation fail, offer to assist the disputants in the selection of arbitrators, chosen either from its own body or otherwise."

The account of the principal cases with which the Board has had to deal during 1890–1891 shows that in almost every one its action has been beneficial. The London Conciliation Board is the more interesting to observers in Canada and the U.S., since there seems to be no adequate reason why the various Boards of Trade in the great cities (corresponding in character to the English Chambers of Commerce) should not also in their several districts take the initiative in devising a mechanism for the adjustment of industrial disputes. Their intervention would probably have this advantage over that of State or Provincial Boards of Arbitration, that it would be viewed with less suspicion by employers.

Toronto, *March*, 1892.

SOME CAUSES OF SOCIAL APATHY.

THE new and more general interest in social questions is the direct outcome of at least three antecedents. To the first of these, for the credit of our reputation for courage, one is naturally inclined to ascribe but a secondary importance. Yet it has certainly had some weight with all of us, not least perhaps with those who are loudest in asking, "Who's afraid?" When a living statesman suggested a connection between the Clerkenwell explosion and a greater Parliamentary readiness to remedy Irish abuses, a considerable number of political critics professed themselves very much shocked. It is not our purpose to judge of the political opportuneness of the suggestion, nor of the political sincerity of the criticism. But, for all that, it is historically true that a close connection has nearly always been traceable between popular discontent and the search for its remedy. The spirit of reform in Louis XVI. and his advisers was at least quickened into swifter action by certain rough scenes at Versailles; and no one doubted, though few may have said, that the Italian War of Independence in 1859 owes something to Orsini.

There are times (and our own time is one such) when the least timid can hear and profit by the wind amongst the pine-woods that heralds a storm; when the most sceptical can interpret the signs in the sky; and when, elsewhere, the fair-weather sailor will accept the counsel of pilots who know the seas. Social murmurs can penetrate unwilling ears; and though the statistics of Mr. Booth (not the "General," but the philanthropist) are comforting, as far as England is concerned, as to "the hordes that threaten modern civilization," there is enough to be heard and seen about us to make the best Cromwellian doubtful of the issue of a Limerick policy in social matters.

That which has reached us from abroad of social thunder, though (so far) distant, has of late undoubtedly made us all

a little uneasy; let us be honest and confess it, however little admirable it may seem. But it can, we think, be fairly said that up to now this cause has been a secondary one; partly, no doubt, owing to the fact that the mass of the poor are patient, and in England we have therefore heard very secondary thunder.

A far more impelling antecedent has been the new political importance of the toiling many. The actual or prospective M.P., or else his local agent, has found the centre of gravity of many constituencies entirely shifted. Not only have working men the power to put him out of the political running, but they know it too; and they have shown some effective signs of the will as well. Labour candidates also, with a painful independence of head-quarters, have been cropping up. Nor are M.P.'s alone disquieted: vested interests of all sorts are awake to the discovery that they are on trial before a new jury, who vote by ballot, and not only decide the verdict but dictate the law. If it be true that, by the action of this electorate, an hour may lay in dust the building of years, let us hasten, say the politicians (and their motives are alike good, bad, and indifferent), to hear its story, secure its support, and remove the causes of its wrongs.

Thirdly, there is a force amongst us that acts like a magnet on the isolated steel filings that lie about, capable but disintegrated units. This force radiates from the resolute minority of social reformers that in all times and places, with more or less devotion and success, keep social sympathies alive. Men of all ages, creeds, and classes, sober and enthusiastic, advanced and moderate, tentative and radical, they agree at least in this—that the many voices of social wrongs and needs shall ring in the ears of the apathetic.

For apathy there most certainly is; with all our growing social sympathies, this is one of our chief hindrances, that there is so much social apathy. Nor is this confined, as the working man at times seems to think, to the pleasure-seeking or the callous capitalist. It is found amongst working men themselves: it is found, too, from various causes, amongst men capable of sympathy for individual suffering and of generous acts.

Of course there are degrees of apathy. In some the blood is

cold, and infectious enthusiasm will never fire it, talk as we may. Yet the *sang-froid* even of the unfriendly critic may be indispensable to the ultimate success of our plans. He can at all events provide the cold water that tempers the steel. In other men the *vis inertiæ* is strong; they are lethargic, they lack imagination; present conditions are at least easier to fulfil; change is apt to become exasperatingly rapid, and they are constitutionally averse to anything rapid or changeful; reform acts on them as does a game of excessive "general post" upon a phlegmatic child; they even grow cross, and prefer to sit out. "Why not let us all alone?" they say.

But beyond the cynical and the sleepy, there are others whose social sympathies are in a state of suspended animation, squeezed almost to death by the portentous growth of their own merely selfish and personal interests. The philosophers give us a cold smile; the natural and impassive quietist offers an uninterested ear; but those whose merely selfish and personal interests are involved in any sweeping reforms are capable of being found in the very front rank of resistance. There are, of course, varieties of vested interests, many necessarily and absolutely innocent and moral; but there are others of an entirely different character; and the ethical character of the interests consists not, as is sometimes thought, in their being vested, but in their ultimate effects upon the general good. Vested interests, based merely on present and passing legality, and not on righteousness, only seem to be in any trustworthy sense apathetic. If they so seem, still, depend upon it, they are leaning against the door we are trying to force—a heavy, torpid, pachydermatous body; but once push it open, and there will ensue a period of very active struggle.

But in the case of the majority of men, the apathy of which we are thinking is neither a stoic indifference, nor a dulness of wit and heart, nor the dry eyes of avarice; it is an apathy that may yet be awakened by moral appeals, neither unblushing nor case-hardened, neither absolutely selfish nor ignorant, sometimes too uncertain of remedies to take action, yet too conscious of dangers to feel happy in neutrality.

It is these uncommitted thousands that we wish to arouse, by inducing them, we will not say to realize their timidity—they do that now to a great extent—but to analyze its causes and brace themselves to throw it off. We want to convince them that our social needs are too urgent to allow of any great-circle sailing, that our courage must be uncompromising, and that even if we choose to take short views, we must at least act where we see clear.

How far, then, can the causes of social apathy be analyzed? No such analysis, of course, can be ultimate; we cannot unravel every skein of hidden motive that binds men; but some at least we may; some of the least obscure causes we may bring into light, and so in some sort deliver.

Perhaps the most prevailing pressure is brought to bear upon our neutral party by the influences of society. The inheritor of an historic name, born in what is commonly called the Upper Ten Thousand, can be as independent as he likes. It is but natural, if at least in accordance with the traditions of his house, that he should give utterance to decidedly popular sentiments on the platform or even in the House of Lords. But they are not very many, when you have counted all the advanced peers; and beyond these, save for a few philanthropic noblemen, whom Clubland writes down as faddists, if not as Dogberries, the general drift of thought and opinion is the other way. But what is permissible to the historic name is not so safe for a *novus homo*, much less for those whose very *entrée* within the inner circle is uncertain or not yet secured. Added to this, when one is (to use a vulgar expression) "in the swim," there is really so little time. The social engagements of the London season would put it out of question; and even afterwards, whence can the hours be taken in which personal contact with the problems of the masses—the one condition of successful treatment—can be obtained? After all, the life is a life utterly apart. Even in details of grammar, pronunciation, and hand-shaking, peculiarities have been evolved unknown, as Pepys would say, to the "poor fools on foot." The atmosphere is saturated with that gassy love of pleasure which is an absolute disinfectant for deep social sympathies. For the

men to "tip" a beater, or for the daughters to send soup to the sick, is, of course, very natural, proper, and easy. But of putting that beater into a permanent position above a tip, or of rendering the gift of soup a kindness and not a necessity to the poor invalid, it is to be feared that society never so much as faintly dreams.

By this combination of absorbing self-concentration and of aloofness of social condition, there is created a prevailing tendency to apathy both of thought and action on social questions. To face this, to risk social criticism, to avow principles of another order, requires moral courage of an unusual kind. "Every gentleman is of this opinion, you know," is a minor premiss of all discussion.

Whatever one's politics, one may reasonably resent such a standard of debate as that. Still it acts with overpowering effect on large numbers of men and women in society. They hear it; they do not like to contradict it; they cease to question it; it is "the thing" to say it; and perhaps they end by believing it.

And so the pernicious and deadening uniformity filters down the social gradient; and, far removed from the highest rung of the ladder, the crowd who are pushing round the foot are, if anything, louder than others in their profession of adherence to it. Yet, taken one by one, hundreds of these units have kind hearts and conscientious possibilities; they admit that a solution is wanted; and, freed from the imaginary necessities of the creed of a gentleman, they would do a good deal for what they call the lower orders. There are two groups in the higher ranks of English society who might do very much to alter this state of things. We say in the higher ranks, because it is not likely that those who are only on the fringe can do much to modify the public opinion of the whole. English people in the latter position are too imitative to be original and so influential; they are not sure enough of themselves; they would be stared down by the Colonel Danbys of society, and would retire discomfited.

But the younger really intellectual men in our higher families

have a rare chance of becoming, in the truest sense, popular leaders. What might not such men do, if they chose to master the facts at first hand, and devote themselves avowedly to be champions of the poor? Apart from the inspiring thought of the great movement they could thus lead—for lead they surely would—would it not be worth something to come out from amongst the mediocrities and make a mark on human life? It is just such a body of young patriots we need in either House, who, without distinction of party, shall act together on social questions; but we need them even more as an overmastering, unsilenced influence in society itself, to awaken the dormant sympathies of items in it, and to give a voice to the thoughts and qualms of the less influential.

This is one of the groups above-named. The other consists of the best women in the best English society. There are plenty of able women, with heart, influence, and courage, if some Savonarola could but find his way to their intellects and consciences, to take up in grim earnest the social condition of their fellows. It is not credible that any programme, devoted to mere party success, can really content our best women; they must, we are sure, when the tea and the speeches are over, have a quiet laugh over the affectations and insincerities that, beneath the appearance of a disinterested enthusiasm for the highest good of the people, are more than happy if they persuade the voter that "Codlin is their friend, not Short."

Let these our best women forego all mere social and political pressure on either side; and inspire their sons and brothers to be true Red-cross Knights; let them thus be the Unas of a new chivalry which shall do battle for the socially weak. It is well known that some are so doing; but we want, not an exceptional devotion, but a prevailing type of opinion and tone; we want not a slumming excitement, but a lifelong interest, a reinspiration of the old words "Noblesse oblige."

But one may be moulded by other principles than those of society. One may be a victim to the prevalent associations of business. There is a type of business man whom it is quite as difficult to influence in a reforming direction. It is not that

he will not subscribe to hospitals, or what not. He accepts in practice, though not in theory, some doctrine of "ransom;" but he considers that the lower orders should be kept in their place; he is unable to conceive the possibility of a permanent rise in status, a levelling-up. He is ruled by a few commercial maxims, which have grown in his eyes to the importance of eternal principles. The competitive system, in which he has been bred to success, has made him somewhat suspicious; he has his doubts, as a practical man, as to human disinterestedness; he dislikes all theory save the theory of practice; he holds that there is a natural inequality in mankind, which answers to our existing social inequalities with exactness, and that his own rise is the best possible proof of his superiority and general merits. He is seen at his best when proposing the toast of "Church and State" at a City company's dinner.

And he is an honourable and influential man, a leader in the *Ordo Equester* of the City. There are many like-minded with him on Exchange and in Mart; they generate by their very respectability the idea that the safety of religion and society *must* be involved in the continuance even of the details of the system that has produced them.

These views appeal, not to the deepest, but to the easiest and shallowest and least unselfish elements in their fellows. After all, what does the great social question call for? Not for soup-kitchens, Mansion House funds, or smoking concerts. No; it demands self-sacrifice, a quickened conscience, a venturesomeness, a surrender not only by an individual but by a whole order—the very hardest thing asked of man. It demands large concessions of privilege; and it seems to these men as if it proposed to give to them, so to speak, a lower place at the social feast, when the national dividend is being distributed in bonus. They have heard something like this in one of the New Testament Lessons in church; but it has never seemed to refer to circumstances outside the limits of the first Christian century.

Yet, hard as it may be to appeal with success to the older members of the commercial community to throw over the prejudices of a lifetime, we are convinced that hundreds amongst

the younger members of the circle can be reached and touched. Some of them have been already brought by such movements as the Oxford House in East London into closer contact with the problems in question; initial interest soon takes fire and becomes a social enthusiasm.

At all events, they are not too involved in the silken cords of social responsibilities. This is one of the causes of the apparent apathy of some of our older English clergy. It is inconsistent with the long, noble history of their devotion to suppose that they are really indifferent. They feel deeply for the poor. But many of them are somewhat old-fashioned, connected closely by birth, marriage, or social amenities with the wealthier classes, and imbued by long tradition with a profound reverence for established custom. Besides, they are under a debt of gratitude (as the layman at times puts it) for help in their parishes, to the elements that are, to say the least of it, not always progressive. It is not easy to say frankly that, *e.g.*, wages are far too low in an agricultural parish, where the men who would, as the saying is, "suffer," and who would certainly resent the rise, are in many respects very kind and important friends. Further, the discontented rustic, even when he has good cause, is often a trifle unpleasant.

> "His manners have not that repose
> Which stamps the caste of Vere de Vere."

And so the excellent country rector stands aloof or frowns upon the forward movement; and the rustic puts him down as an enemy, and (for all his personal kindness) is ungrateful, and calls him names; and this serves to stiffen the rector in his dislike of the whole thing.

Then the Radical shoemaker, probably a Nonconformist, steps in, and takes the lead; and now the sectarian fat is on the fire as well, and a general conflagration goes on.

What is to be done? Not much, perhaps, with the old traditions. But the town clergy and the younger clergy whether in town or country, are being trained in a new and more popular school. They are learning that they must give and take; they must not mind even very plain speaking; they must sympathize,

not merely with sickness and sorrow, but with aspiration, and must strive to be the mediating exponents of these new hopes and needs to the classes who are tempted to be indifferent or even to repress.

We are in the very middle of a great democratic tide; and it is full of danger to jam down the sluice-gates under the idea that we can force it back; it is wisdom to withdraw needless obstacles, and let it flow securely up channel. Thus only can it be controlled.

It is a marvellous opportunity for the Church of Christian England. If she would but put herself at the head of this great upward movement, she would yet win the love and allegiance of the working masses. After all, there is something in her historic greatness and her democratic organization and origin to strike their imagination, if only she would give free play to the forces natural to her. There is nothing in modern Nonconformity to approach her in power and attractiveness. It is the social sympathies of Nonconformists that give them their authority with the working men.

Here is a harvest ready for the sickle: nothing can prevent her reaping it, if her younger clergy will add to their undoubted zeal in spiritual work some effective social study and knowledge.

And this brings us to another cause of social apathy, the paralyzing consciousness of ignorance. Of course, infallibility is apathetic, and for that matter really ignorant too. There are still men who refer to Sheffield rattening as if it were the settled policy of our present trades-union leaders, and there are still men who believe in a fixed wages-fund. It is not the ignorance of infallibility that is of very much consequence; it is the ignorance of partial knowledge. Men at large, the clergy especially, see the general conditions of the problem; but it is so complex and intricate that they grow hopeless, and either dare not begin to move or give up in despair. This is the condition of mind on which the man with doubtful vested interests, and the newspaper he subvents, know so well how to play. A foreign *émeute,* a foolish speech, a hare-brained demonstration—all is grist to the reactionary mill; each is

painted in the darkest colours and held up as an awful warning for the timid and doubtful. The extraordinary self-command of the English people, the general good sense of the public meetings, the tendency to compromise impressed deeply on our political life, the greater trust by preference manifested for religious leaders whose sympathies are unquestionable, the appreciation of such men as the late Cardinal Manning or the present Father Dolling, goes for little, if only some self-seeking demagogue gets his angry words somehow reported in the public press.

It is not at first apathy that this sense of ignorance leads to; it is a slowness of movement, a fear of conclusions; but the timidity grows into a halt, and the halt ends in apathy. What we want is a co-operative system of economic study, where bogies can be faced in company; and, as the timidity disappears, we shall feel the force of a common courage, and not shrink from advancing to hopeful conclusions. It is needless to say to readers of this Review that this is just what the Christian Social Union aims at; common study, by men of all parties; mutual discussion; patient, tolerant, serious pursuit of economic knowledge; comparison of experiences, and even of disappointments.

This is especially what the clergy need and many of them desire. The Lambeth Conference, as an earlier number of this Review gratefully acknowledged, suggested the wisdom of this for candidates for Orders. Such a proposal, put forward with the weight of a strong committee selected by an imperial gathering, can scarcely have been lost sight of; and it would be a very interesting inquiry to ascertain how many of the bishops have since put the subject on their examiners' lists, and with what results.

But, whether they have done so or not, it is certain that many amongst the younger clergy are anxious about the matter. Surely much useful guidance and counsel might be given if (one must be pardoned for venturing on audacious possibilities) our archdeacons could surrender some less important official engagements, master the subject, and count the duty of advice

upon it one of their archidiaconal functions. It is not, indeed, pretended that this is the sole or the chief duty of the clergy; it is their duty as intelligent citizens of a state in trial; and it is emphatically the more their duty because intelligent, ay, and enthusiastic, citizenship can contribute aid and succour to the cause of Christ.

But perhaps one may have to wait for these and other advances until the unbeneficed clergy, in whom is beating a large share of the life-blood of active work in the Church, are represented in Convocation. Indeed, it is just for the want of the ancient, Catholic, and democratic element in our organization, the elective element, wherever it can be had without injury to the still more ancient and more Catholic element of order, that we are so very cautious and stationary.

The Christian priesthood is seething with life; the engines are filled with steam; but the *congé d'élire,* the officialized archdeacon, the nominated rural dean,—here are the padlock and chain that have been attached to the piston.

But it must not be supposed that there is no apathy in the masses who toil. Who can be surprised? The struggle for existence leaves but little nerve to many of them for anything less than immediate advantage; and the necessities of daily life have fixed deeply in the mind of the worker a mere money standard for proposed reforms. It is hard to arouse the less keen amongst them to a long and perhaps obstinate struggle for distant gains. Take, for instance, the question of open spaces; even when their interest has been aroused, it is never quite certain how far the offer (say) of five shillings a head to the poorer of them might not break up the defence.

Of course, this does not apply to the leaders; but it does apply in full force to the casual worker, just the class which the author of *Labour and Life of the People* so rightly wishes to wipe out. And this accounts for some of the excessive strength in the language used in (say) the Dock strike, when the mass to be roused to perseverance had been almost permanently degraded by the conditions of life to a point where men lose their elasticity. But apathy is also found in many between the leader and

the casual. It is one of our highest duties, as social reformers, to sharpen the dull and blunted edge of hope and courage, especially in the south of England.

Lastly, we are sure to be often disappointed with our knowledge, our efforts, our results, whether as clergy, laymen, or working men; at times we shall be disappointed with each other; we may even be suspicious of one another. Is there any reason for despair? How can we think so, when we read of the first industrial years of this century, when the lash of the overseers in factories alone kept little children awake?

The process of growth is slow; but time's forces are with us. There is a good stretch of frozen water round us; but there are cracks in the ice; the floes show signs of breaking up; the air is keen and bracing, but no longer polar; we shall soon be sailing into more genial seas.

The time seems certainly approaching when all earnest and sensible men will be more and more of one mind on the social question; and this mind seems likely to express itself in some such creed as this—that things are not at all satisfactory; that apathy is criminal; that abuses must be rooted out; that what is clearly good must be done; that, amidst much mutual forbearance, even experiments must be carefully tried, where certain cures are not yet seen; that the mere partisan must be repressed; that we shall best secure patient co-operation from the workers by a sympathetic patience from ourselves.

T. C. Fry.

CO-OPERATIVE BANKING.

IT is strange that in England, where co-operation is so well understood and so largely practised, the idea of "mutual credit" is not yet acclimatized. An English clergyman, whose name is well known, and who is brimful of an enlightened philanthropy, said most truly that long and intimate knowledge of the English poor made it plain that "the best friend of the working man would be the capitalist, who, lending small sums in times of need, would exact their punctual return." In how many cases would not an advance prove the saving of the struggler,—and a sound investment, to boot? And this is true for the bread-winners in many grades of society. At the present time, numbers beyond counting fight for a while to keep head above water; and, one day, sell—or, worse, pawn—the implements of their trade, or those things that enable them to "keep up appearances," and so fall into the melancholy ranks of unskilled labour. Or they, perhaps, starve *less* slowly! Thus, Co-operative Banking may stand (to the benevolent) for a form of philanthropy. But, to quite as many men, it will appeal as a measure for the advancement of social security, and the general well-being of the community. A member of a financial society will be nearly sure to be on the side of Law and Order. He has "a stake in the country," and so forth. The system is, in short, sound, for a dozen good economic reasons. And, on all hands, it will be admitted that the ownership of some amount of property exercises an influence in the direction of self-respect and a proper independence. Hence, it was no baseless fiction when a prominent French promoter of People's Banks said he saw in this system "the safety of the State, and social salvation for its individual members."

The first question, of course, will be: What is Co-operative

Banking? A "People's Bank" supplies the answer "in action." A fund is gathered, generally in small sums, and loans are made—on sufficient security—chiefly to the contributors to that fund. In reading the transactions of the two Congresses of French Popular Banks, the most striking thing is the way the brotherly notion of *mutuality*, or *reciprocity*, is harped upon. "Mutual Credit" is a term used almost as often as "Co-operative Banking." Monsieur Rayneri closed his speech at the end of the first Congress with the words:—

"The most divers elements, as to nationality, and as to principles, are represented amongst the members of our association, and it is well worthy of notice that never has a personal question, or a question of party politics, disturbed the even tenor of our ways in this institution,—all the members being thoroughly united in a common desire: the development and prosperity of their People's Bank."

In France, one of the leaders in the application of co-operative principles to matters of finance is Father Ludovic de Besse; while the President of the Federated Italian People's Banks is a philanthropic Jew, Signor Luigi Luzzatti; and the cordial words that have passed between Jew and monk are characteristic of the good feeling these banks seem to have the gift of inducing.

Parenthetically, it may be noted that Italy has largely experimented in co-operative finance. President Luzzatti wrote to his Capuchin correspondent:—

"We have now seven hundred People's Banks, and half a million of clients. Our capital is a hundred million of francs. Deposits in various shapes amount to half a milliard of francs. Germany excepted, we are foremost in the field, after but twenty years of propagandism."

French people say, curiosity is only "an exaggerated sympathy." In Italy, "sympathy" of this sort is superabundant. Everybody makes it his business to know even the minutest points of his neighbour's concerns. It is, for obvious reasons, an advantage for a People's Bank to carry on its operations in a community where there are no secrets; and small Italian towns may be described as destitute of financial mystery. When questioned as to the fate of People's Banks in large industrial

centres, where men may live for years scarcely knowing the names of their fellow-townsmen, M. Rayneri said that great towns best suited the system when parcelled out into districts. Working men, at all events, can be trusted to form fairly sound notions of the financial side of the life of neighbours of their own class; and the bank can get at this knowledge with the greatest ease. Intending clients would be directed to apply, of course, to the branch bank of their own *quartier*.

The history of the Mentone People's Bank, as given by its managing-director, M. Rayneri, in the *Revue des Institutions de Prévoyance*, is interesting, and full of suggestion, and the next few pages will contain a free translation of his article. He starts by chronicling the fact that, in the beginning of 1883, the breaking of the chief bank in the place had a disastrous effect on Mentone. It was an old-established bank, and, little by little, it had gathered the contents of all the chimney-holes and stockings—the time-honoured receptacles for the hoards of the little *bourgeois* and the peasant—slowly overcoming a whole population's prejudice against letting their coins go out of their own keeping. The failure of this bank swept away almost the whole of the local savings. The liabilities amounted to one million and twenty-five thousand francs—a considerable sum for a town of nine thousand inhabitants. This old bank had done a good deal of discount business in Mentone, and in the the principality of Monaco. Its loans were also considerable. The bank's rate of interest for these transactions was twelve per cent. "Usury!" cries M. Rayneri. The whole of the profits of the undertakings of the unfortunates who had to borrow money were swallowed up in the charges of the bank; and, to this day, there are small traders who might be in easy circumstances but are actually very badly off, because of the terrible twelve per cent. that they had to pay in past years.

When the bank failed, every debt had to be called in, at once. Bills (hitherto, a renewal could be counted upon) had to be met, where it was possible, on the shortest notice; but, in most cases, the bank's debtors were unable to fulfil their engagements. There were three other banks in the town at the

time; and their depositors were filled with panic at what had just happened to the chief local Temple of Mammon. In the general insecurity, the smaller banks, for prudence' sake, were driven to suspend all discounting operations. So, on the one hand, absolute want of confidence reigned, and, on the other, there were a number of honest and deserving traders needing help to meet important monetary engagements.

At this critical moment, a certain number of business men turned their attention to "Co-operative Banking." The plan had succeeded elsewhere; why should it not work in Mentone? It was hoped that, not only would a People's Bank bring the crisis to an end, but that it would also "drive usury out of the field, and bring down discount operations to the normal cost of such transactions." M. Charles Palmaro, now chairman of the board of directors of the bank, was sounded as to an experiment in Co-operative Banking, and he took up the notion warmly. A committee for the transaction of preliminary matters was formed. An invitation was sent out to certain local men (*commerçants et industriels*—which must be taken to mean rather small fry compared to the "tradespeople and manufacturers" of the North, Mentone not being a centre of trade or a place with large manufactories. But those invited were public-spirited persons, as well as men of substance). When they met, the objects and advantages of People's Banks were set forth by M. Rayneri; certain persons were appointed to draw up the bank's bye-laws, or "statutes;" and those present put down their names for over £800. Now, the promotors of the scheme had decided that they could not begin banking with less capital than £800—a very modest sum, truly!—and here they were, at the end of the first meeting, holding promises for something above the minimum that had been fixed upon!

Everything was done very economically. Even the hall for this meeting was *borrowed* for the occasion, from the managers of the Popular Library. And it is worth observing that, in the few cases chronicled in the Reports of People's Banks Congresses, wherever banks have been opened in other parts of France and

have not subsequently prospered, a want of frugality in the arrangements—a launching out into expensive premises, and a blind eye for the pennies that don't "take care of themselves" —has characterized the management.

The little capital once subscribed, the bank became a certainty of the near future. M. Rayneri says:—

"We shall never forget that very simple and very touching gathering; never, the eagerness with which artisans, small shopkeepers, small house or land owners, promised us their little savings! Though they had only the day before been sadly betrayed, they felt confidence in Co-operative Banking."

The old bank had gone with a crash in January, 1883. Already, on the 18th of the following February, the rules and regulations of the People's Bank were drawn up, approved, and deposited in the keeping of a Mentone Notary. It was at once decided to open a share-list, which was to be closed on the 5th of March. The maximum fixed for the capital was £4000 divided into a thousand shares at £4 each—two-tenths to be paid up immediately, and the remainder at the rate of one-tenth per month. *Half as many shares again were subscribed for!* This was a great surprise. A third of the subscriptions had to be refused; and a rule was made to prevent any one person holding more than fifteen shares.

On the 9th of April, 1833, the People's Bank opened, with a capital of £1600—a certain number of shareholders having decided to pay for their shares in full, so as to give the bank more freedom of action. The business of this bank consists in discounting bills for its members; in making them loans; in keeping current accounts; and in a Savings' Bank, where deposits, from tenpence upwards, are received. The bank, when required, will do its members' stock-broking for them. It makes loans on the security of approved stocks; and it will do business with non-members, when this does not prejudice the interests of the co-operators. The bank began its useful and prosperous life in two little upstair furnished rooms, in a house in the Place St. Roch. The rent was £8 for half a year. The cashier did his work upon a chest of drawers. The director sat

at a loo-table. A carpenter, who held a share, made a modest sign-board; upon which another shareholder, a painter, inscribed the words, "People's Bank;" and a mason, who also belonged to the society, set up the sign, to the great delight of the budding association! That first half-year of their bank's existence, (with all the excitement and hard work it brought) will never be forgotten by the directors!

From the very beginning, the accounts have been made up each evening. Thus, the bank's situation is, daily, made perfectly clear. And not only may the shareholders know how matters stand:—the general public can have the information for the asking. So, the bank works in broad daylight. Banking, in this frank and open fashion, had been hitherto unknown, and undreamt-of, in Mentone. The system acted like a tonic on public confidence. The balance-sheet of the bank's birthday is a curiosity. There stood, to the credit of the bank—

Shares (not fully paid up)	Fr. 58,140·00
In the cashier's hands	21,657·25
Bank fixtures, books, etc.	1,164·45
General expenses	41·15
Sundries	409·50
Government three-per-cent. stock	20,000·00
	101,412·35

The liabilities were—

Capital	Fr. 100,000·00
Deposit accounts	1,400·00
Sundry charges	12·35
	101,412·35

The above entry of £800 (or 20,000 fr.) invested in three-per-cent. Government stock may cause surprise in the mind of the reader. But the bank manager explained the matter thus: There happened to be, at the moment, that sum outside the wants of the bank's clients. Now, speculative stock is *taboo* of co-operative finance, and the bank's choice of investments is strictly limited. Moreover, from the outset, the People's Bank directors hoped that the Bank of France would rediscount the bills accepted at Mentone. But the Bank of France demands three names to every Bill it discounts; and the holder of £800

worth of the stock would be qualified as one of the three. This solved a difficulty,—for the Bank in Mentone counted but as one signature until doubly qualified as a stock-holder. The third name, of course, would be that of the borrower.

To begin with, two people managed the Bank,—the director, who did the book-keeping, and the cashier, who did everything else. General expenses and salaries only came to £224. The first blow at usury was struck when the bank rate was fixed at six per cent., plus one-half per cent. for three months. Every month the business increased, and the capital became insufficient to meet all the demands that the discounting business made upon it. At this juncture, the director of the Nice Branch of the Bank of France encouraged the infant institution to apply to the Head Office in Paris, with a view to obtaining the privilege of rediscounting in that quarter. And this was granted. But in spite of this enormous help from the fountain-head of French credit, the capital of the Mentone Bank still proved inconveniently small; and, at the end of its first half-year, another issue of a thousand £4 shares was put upon the market.

The management decided to wind up the financial year—a short year of eight and a half months—on the 31st of December, 1883. It was found that the cashier had turned over more than two million six hundred thousand francs. Current accounts with correspondents reached two millions, while the same sort of business, in Mentone, gave a total of eight hundred and seventeen thousand. The net profits amounted to eight thousand six hundred francs, or eight per cent. on paid-up capital. M. Rayneri says, "The General Meeting was more than satisfied; it was surprised and thankful."

The opposite page, taken from the Mentone Report for the year ending August, 1891, shows, at a glance, what have been the fortunes of this useful and now firmly-rooted bank.

This bank is managed by a Council of nine members. The council meets at least once a week, to look into transactions that are under consideration with members, as well as to examine the business overtures of persons who do not belong

STATISTICAL SUMMARY OF THE PRINCIPAL ACCOUNTS AT THE END OF EACH FINANCIAL YEAR SINCE THE BANK'S ESTABLISHMENT, UP TO JUNE, 1891.

Year.	Capital.			Reserve Fund.	Special Reserve Fund.	Bills, Securities, etc.	Cashier's "Turnover."	Bills paid into Bank.	Bills to be collected.
	Number of Shares.	Number of Shareholders.	Deposits.						
			Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.
1883	2,000	187	200,000			170,652·28	2,666,882·46	20,775·60	16,526·25
Financial year of 9 months.									
1884	2,884	263	288,400	1,720·00		274,023·45	7,194,752·62	69,446·88	12,526·00
1885	3,008	258	300,800	5,650·27		324,883·30	6,507,013·32	61,117·91	22,213·69
1886	3,110	251	311,000	10,739·38		296,762·25	8,907,263·03	64,292·72	16,174·50
1887	3,143	235	314,300	15,148·17		305,682·83	3,835,069·58	47,234·18	7,045·90
Financial year of 6 months.									
1887–1888	3,030	248	303,000	16,474·67	584·75	221,667·20	6,293,080·59	59,012·36	3,399·25
1888–1889	3,056	251	305,600	18,932·75	1,594·79	290,849·70	9,891,719·59	108,735·65	4,746·85
1889–1890	3,152	288	315,200	21,934·08	2,613·44	335,875·40	12,026,172·95	45,580·10	12,290·35
1890–1891	3,245	296	324,500	25,020·41	3,664·11	407,027·31	15,897,118·90	68,991·23	16,681·05

Year.	Correspondents.		Current Accounts.		Time Deposits.	Savings' Bank.	Net Profits.	Gross "Turnover."
	Debtors.	Creditors.	Debtors.	Creditors.				
	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.
1883	32,286·91	9,253·60	14,996·37	62,245·35	47,350·00		8,600·80	5,543,294·66
Financial year of 9 months.								
1884	50,691·52	18.022·49	71,681·92	79,833·74	123,650·00		19,651·37	17,854,424·33
1885	33,795·73	11,473·29	92,546·95	110,810·26	119,691·50		23,509·59	17,138,510·47
1886	32,869·65	64,273·99	173,970·94	176,723·50	101,563·00	3,486·31	21,218·97	22,868,630·19
1887	36,508·87	18,713·70	81,842·78	117,187·42	84,408·00	4,562·10	11,694·97	12,378,004·79
Financial year of 6 months.								
1887–1888	37,000·14	73,978·86	78,295·73	73,978·86	66,691·00	7,128·65	20,900·80	16,762,334·04
1888–1889	59,027·72	7,527·22	55,280·65	208,129·35	85,981·50	9,088·95	21,073·31	22,619,813·78
1889–1890	44,150·03	7,423·04	85,045·85	207,509·00	84,780·00	8,141·15	21,513·33	24,578,980·97
1890–1891	33,051·17	24,427·99	117,187·80	210,349·57	116,948·50	10,564·45	22,133·33	31,316,313·29

to the society ; to consider proposals of transfer, the issue of new shares, and kindred questions ; and to make rules, and regulate many other points in the conduct of the affairs of the bank. There is no special committee for the loan and discount department. There *was* such a committee at first ; but it was given up, because its action was so hampered in a small place like Mentone. The council found it better to draw up a special list, stating against each member's name the largest credit that could be allowed him. The management was thus placed in a position to say, at a moment's notice, what the applicant's bond was worth. A committee of supervision, consisting of three members, is set over the bank, to oversee all its transactions. The general meetings used to be held quarterly, in the early years. It is now found to be enough to call them half yearly. The meeting of February considers the half-year's work in detail, and elects, or re-elects, the members of council and the society's officers. The August general meeting looks into the accounts for the financial year, passes all the affairs of the society in review, and decides upon the dividend.

It is useful to know what manner of men are the shareholders. Of these, it appears, three are agriculturists ;[1] fifty-five are well-to-do business-people or shopkeepers ; one hundred and forty-five are smaller men in the same lines ; sixty-five are artisans ; eight are day-labourers ; and twelve are other wage-earners, and people falling under none of the heads here set down. Among the shareholders, different nations and different creeds are represented ; but the most perfect harmony reigns among them.

A search through the records of Italian Co-operative Banking would yield quite a different set of constituents. In many Italian banks there would be found a far larger number—and smaller men—among the shareholders. This would be true, too, of the German *Volks-Banken*. But there is a certain advantage, on the score of fairness, in taking a sample almost at random,

[1] At Mentone, agriculture consists mainly in orange, lemon, and olive culture. The manufactures of any importance in the place are oil-milling and maccaroni-making.

when one considers a new system—financial, or other. The case, thus treated, has less to fear from the charge of being a mere *ex parte* statement. One thing, surely, should make Mentone's "Record" eloquent in favour of People's Banks,—the fact that no bank can well have fallen upon "harder times."

The present bank-premises are very comfortable. A little reading-room forms part of them; and a project exists of starting in it a small "Co-operative Library." Gradually, the People's Bank has reduced the rate of interest on loans; and for the last two years it has taken up the sorts of "paper" that pass with the facility of bank-notes,[1] at one per cent. above the rate of the Bank of France, with a small commission added —varying from an eighth to a quarter per cent., according to the date at which the bills fall due. The bank, by dividing the profits of its transactions among its members, affords a set-off against the cost of its home-loans (*home*, as distinguished from the loans to the outer public), for their profits as bank-shareholders partly recoup them. M. Rayneri says, proudly, that the system of mutual credit has raised the moral tone of those it has commercially helped. It has also made the knowledge of the usefulness of the current account common property; and has persuaded the tradespeople of the folly of letting their money lie idle. As a convenience for commercial members, the bank has arranged to pay bills, when they fall due, at the cashier's desk, so as to prevent these bills being collected in the co-operator's place of business; and this service is rendered free of charge.

A very distinguished member of the English Co-operative Union objected that, in banking, there was a considerable departure from the practice of co-operative trading—where customers gain *at the rate of their dealings* with the store. M. Rayneri pertinently remarked that money in the bank stood in the place of commodities in the store; so that it was *just* the shareholders (who placed it there) should be those to profit most directly by the business done. Besides, he pointed out, the borrowers save at least seven per cent. on the old rates,

[1] Circular notes, for example; but there are many things that come under this head.

when they deal with the new bank, and the more they borrow the greater the aggregate of such *savings!*

The only serious difference in the system of the German *Volks-Banken* on the one hand, and French and Italian institutions of the same sort, is that the German shares carry with them unlimited liability. In France and Italy, liability is limited. Germans say that unlimited liability, with the huge power of credit it gives, and the added caution it infuses into all their People's Banks' dealings, is to be thanked for the fact that no *Volks-Banken* have ever failed with them.

So far, M. Rayneri. If a backward glance be not superfluous, it may be worth observing that a member who goes to his People's Bank for a loan, is, in a sense, borrowing from himself. He is thus not in danger of putting himself in the hands of a Shylock. Again, it is a good feature in the Mentone institution that those who are employed by the bank have their part in the profit-sharing—a very telling lesson in co-operation! And the spectacle of a bank that deals in its annual millions of francs and also opens accounts with depositors of *one franc* (thus helping those who are disposed, even ever so little, to help themselves) is surely striking.

The limit placed upon the shareholding capacity of any one person strikes the chivalrous note of the whole concern. It is a brotherly system, with a kindly leaning towards *little brothers.* This limitation of the shareholding capacity is also designed to prevent the People's Bank becoming at any time the property of a "ring" of speculators, designing to work it for private profit. Another safeguard against this danger is that every intending shareholder must be approved by the administration of the Bank before he can buy his share. This precaution excludes also the danger of "faggot votes" in this little corporation. Yet another guarantee against the absorption of shares by a capitalist ring is the low rate of interest accorded to the holders. At Nice, in the People's Bank lately opened, there is a statutory limit—five per cent.—on the yield of the bank stock. There would be a similar limit in Mentone, but that transactions are not extended enough to make it likely,

with the present low rates charged, that that limit will be overpassed.

But perhaps the beauty of Co-operative Finance never comes out so clearly as when contrasted with the workings of, say, certain banks, busy twenty-five years ago, in some rural districts of Ireland. However those Temples of Mammon managed it, they often contrived to get whole districts into their hands. When first a branch bank opened, perhaps the incapable farmers, or the poor fellows who were rack-rented, went to them. Then came the farmers who had extravagant wives and daughters. A mortgage held by such a district bank seemed not such a bad thing at first; but it was, nevertheless, generally a long step on a downward course; and, in dozens of cases, the bank had the land, and the farmer disappeared, before very long. Bank stock went up, correspondingly, in value. This was a way of robbing farmer Peter to pay capitalist Paul. But by the action of Co-operative Banking, the brother That-has finds his account in temporarily accommodating the brother That-has-not, who finds pecuniary salvation, if he be wise, in the transaction. Why should not Co-operative Finance supersede the less fraternal system in the British Isles? France, Italy, Belgium, Switzerland, and Germany find "mutual credit" meets a great need. Why should it not suit John Bull?

E. M. Lynch.

THE ETHICS OF INDUSTRIALISM.

A Criticism of Mr. Herbert Spencer's "Justice."

"WHAT is the fundamental principle of a harmonious social life?" This is the problem that Rational Utilitarianism, in the person of Mr. Spencer, undertakes to solve. In the newly issued volume of the Synthetic Philosophy designated as Part IV. of the uncompleted *Principles of Ethics*, proofs are adduced—proofs old and new, empirical and intuitive, inductive and deductive—to show that this principle can be nothing else but Justice. And the formula of Justice is this: "that every man is free to do that which he wills, provided he infringes not the equal freedom of any other man."

This doctrine is no novelty. It is old as *Social Statics*. It is simply the outcome of Mr. Spencer's time-honoured application of the biological Law of the Survival of the Fittest to matters of Sociology and Ethics. A firm believer in the "beneficent" effects of the Struggle for Existence, he has persistently bidden society to desist from "interfering" between the unfit and his fate.

> "Each individual ought to receive the benefits and evils of his own nature and consequent conduct; neither being prevented from having whatever good his actions normally bring to him, nor allowed to shoulder off on other persons whatever ill is brought to him by his actions."

Only by observing this precept can mankind arrive (at least, supposing that the sun do not inconsiderately grow cold meanwhile) at that blessed state of Equilibrium, when all that is knowable will be known, and all inventions made; when human nature will positively enjoy a sedentary and laborious life; when children will come at the rate of two and a fraction to each married pair; when the policeman will be abolished, and the

law-courts closed; and when, in short, all will be Peace and Joy and Egoism—or Altruism, for they will then be the same thing.

Now, to understand Mr. Spencer's theory of Ethics at all, it would, at first sight, seem necessary to have attained to a perfectly clear idea of this state of perfect adaptation. For it is no Utopia, no "Brocken-phantom of the present projected on the mists of the impracticable;" but something very like a Fact anticipated—a Fact that can refuse to happen, only if we "interfere" with the natural law of Evolution. So certain is Mr. Spencer of this, that he devotes the main part of a considerable work to the Absolute Ethics of this far-away state of things. The "Law of Equal Freedom," with its corollaries, "the Rights of Man," exists for us only to the extent that we approach perfection. We are asked to have done with "interfering," not so much for our own sake, as for the sake of the England of the Future—or of what is left of it after any number of glacial epochs have run their course. Nevertheless, we are perhaps not so far off from the ideal as we should otherwise be inclined to suspect. Militarism is everywhere giving place to Industrialism; and Mr. Spencer thinks that the Industrial Stage is final. As England nowadays is rather industrial than military, the more general maxims of Absolute Justice may consequently be employed as the watchwords of current politics without much qualification. It is, therefore, not wholly out of a dispassionate interest in the welfare of evolved posterity, but also with an eye to present practical reforms, that we proceed to a brief discussion of the sociological and ethical value of Mr. Spencer's Formula of Justice. If it prove to be indeed "the fundamental principle of a harmonious social life," then *Laissez faire* by all means. But, if not, we solemnly announce our intention of "interfering" with any and every Natural Law—Gravitation though it be, or the Rhythm of Motion—that interferes with us and our happiness; and, since Science grants that we can, it is not the mere metaphysician that will stop us!

If Mr. Spencer were not a Spencerian, he might almost be described as a Cobdenite. In perpetual peace and a perfectly free industrialism he discerns the conditions of a Justice capable

of satisfying the moral aspirations of humanity. He endorses in full the dismal economics of the Manchester School; only he will not allow that they are dismal. Justice it is that ordains that the weakest should go to the wall, and that the State should allow them to go the wall. Mr. Spencer quotes with approval from a letter written by Mr. Arnold White, from Tennyson Settlement, Cape Colony, to the *Spectator*:—"Any colonizing scheme that does not distinctly include death to the wilfully idle, if they choose to die, is predestined to failure." The fate that Mr. Arnold White demands for the wilfully idle, Mr. Spencer suggests for all who cannot manage to make a living. He indeed allows private charity to relieve the starving; but "this is another story"—is not the concern of Justice, but of Positive Beneficence, and, as such, is to be discussed in a forthcoming Part VI. So, too, Justice it is that ordains that the strongest are to survive, and that the State should further their survival by supporting the Rights of Property, and the Rights of Free Gift and Bequest. Even on the Land Question, Mr. Spencer, to-day an apostate from the more liberal creed of *Social Statics*, finds himself in accord with "the Council of the Liberty and Property Defence League, on which sit several peers and two judges." Justice therefore commends an economic system under which, whilst the rich grow richer, the poor are to grow less poor, only if they can keep their numbers down, and if the transformations of industry and the fluctuations of the market be not too sudden and violent, and if they be satisfied with as little as their foreign competitors, and if—— But the *ifs* are endless. This may be Justice; but all the evolutionary optimism in the world cannot make it "the fundamental principle of a harmonious social life."

But it is not Justice—even in Mr. Spencer's sense of the word. Thus, how are "consequences to follow conduct," if a father be "free" to leave a fortune to an idle and incompetent son? No doubt, so long as the son be still a child, the father is bound to support him. As Mr. Spencer, not without unnecessary parade of mathematical exactness, puts it, "During immaturity, benefits received must be inversely proportionate to capacities possessed."

But, out of his own mouth, it may be shown that this principle has another side.

"Contrariwise, after maturity is reached, benefit must vary directly as worth : worth being measured by fitness to the conditions of existence. The ill fitted must suffer the evils of unfitness, and the well fitted profit by their fitness."

Or, as he otherwise phrases it,—

"In view of the ultimate end—the welfare of the species—this reciprocal relation between mature and immature should be approximated to the relation between adults as fast as there are acquired the powers of self-sustentation and self-direction."

On what pretext, then, is Mr. Spencer guilty of this gross inconsistency? Is it that he holds that each man has a "Right" to do what he will with his own? But the Rights of each man, on his own showing, are bounded by the Rights of every other man. Consequently, to endow the unfit with the means of setting at naught the Right of the fit to survive, is not Justice, but Injustice. Is it that an industrious father tends to beget an industrious son? Mr. Spencer holds advanced views on the subject of heredity; but he will hardly venture to push the doctrine of Hereditary Genius beyond a certain point. Indeed, he would be the first to maintain that an industrious disposition would in the long run slacken, if "protected" from the Struggle for Existence. Are we then, to suppose that Mr. Spencer refuses to acknowledge the claims of Justice in this one case only, simply because his bugbear, the State, would be obliged to "interfere," and in some way, and up to a certain point, appropriate this "hereditary wealth"? If this be, as it certainly seems to be, his sole pretext, is he not found guilty of sacrificing the "welfare of the species" to a fad?

For it is a fad with Mr. Spencer, this abhorrence of State-interference. To be perfectly consistent he ought to brand all State-action alike as "artificial;" since every function attributed to the State represents a qualification of the Law of Equal Freedom, which alone is "natural." But he feels that this would be going too far. The "beneficence" of the Struggle for Existence, as waged among the lower animals, is outmatched by its

wastefulness of life. He is therefore content to warn us that our rendering of the Formula of Justice must not imply "greater deductions from the lives of each and all than the associated state necessarily entails." Are there, then, no such restrictions entailed by the associated state after the industrial stage is reached? No, or Yes? If the reply be "No," we are threatened with a State of Nature such as Hobbes conceived, when competition would scarcely be any longer industrial, but rather more a matter of tooth and claw. For let it not be supposed that the spirit of subordination engendered in man by Militarism would last a moment, if once the coercion of law were removed. Dissolution or Evolution—the universe is as prone to the one as to the other. If, then, the only possible answer be, "Yes, the State must interfere, at least to the extent of preventing Force and Fraud," the question remains, Why draw the line precisely at Force and Fraud? Indeed, it may be fairly asked, How is the line to be drawn *round* Force and Fraud; how are they to be defined? Is it Force, for instance, to impose unhealthy conditions of labour upon workmen who are free either to submit or starve? Or is it Fraud to adulterate? Or is the abuse of Monopoly Fraud? An elastic definition will imply correspondingly elastic views on the question of the limits of State-interference. But suppose Force and Fraud to be accurately defined, we still recur to the previous question, Why draw the line precisely here? Why is it that in this particular sphere private action has not proved strenuous and effective? On what grounds does Mr. Spencer disapprove of lynch law? The truth seems to be that he is ready to hand over to the State those undertakings that it is the interest of all alike, but not the interest of any one in particular, to have properly executed. Such a theory may be easily deduced from his axiom that, "of truths concerning human conduct, none is more certain than that men will, on the average, be swayed by their interests, or rather by their apparent interests." But on this principle, not only is the suppression of Force and Fraud and the execution of sundry Public Works made a duty of Government, but, as it will now be shown, something very much more important.

If Mr. Spencer's words were to be taken literally, this same

principle would indeed be capable of almost limitless extension. The title of his pamphlet, "*The Man* versus *the State*," would naturally make it appear that Mr. Spencer recognizes two claimants, and two only, to the functions in dispute. What the Individual will not do, the State must do. Such a view, however, is obviously inadequate, ignoring as it does the thousand and one active forms of human association that on the one hand make the Individual what he is, and on the other hand enter everywhere into competition with the State, which is itself a similar form of association distinguished only by the possession of certain supreme coercive powers. But here it is principally Mr. Spencer's language, and not his thought, that is astray. He is really guilty, however, of attributing far too much importance to the Individual conceived in isolation from his fellows. Such an isolated being is only to be discovered very low in the scale of life—far below Man and the more highly organized animals. At that low stage of existence Progress does indeed imply the destruction of all unfit individuals; and consequently such a Justice as Mr. Spencer dreams of does indeed reign, the laws of Nature suffering no "interference." But Astræa deserts the social animal. The Individual is now no longer something fixed, something to be straightway accepted or rejected, but rather a potentiality undetermined and adaptable. Each association within the Society, and the Society itself, the most important association of all, lives a quasi-independent life of its own, and advances as what may be called its guiding tradition improves. And this improves, because a fierce struggle for existence is waged between the old principles, rules, and maxims of the association, and the new and better ones that experience suggests. But the Individuals, who at any given moment constitute the association, do not necessarily perish with these perishing ideas, but may simply throw off an old self and put on a new by adopting the improvement.

It is this power of learning that constitutes the "unlimited adaptability" of man, upon which Mr. Spencer is always insisting. Man's body displays but little adaptability; his mind, on the contrary, is rich in potentialities that may be actualized by the education of circumstances and by the individual's own

conscious effort. Now, the assertion may be hazarded that the effects of heredity are far less marked in the case of mental than in the case of bodily qualities. The physicist would possibly explain this by contrasting the delicate organization of the brain centres, on which the manifestations of mind may be supposed to depend, with the grosser constitution of the frame, wherein small differences of texture count for much less. At any rate, be the explanation what it may, the fact is certain that, whereas amongst craftsmen of a low order a caste-system may answer very well, each generation of coal-heavers adding something to the family capital of health and strength, an inventor or a man of letters is but rarely able to bequeath his talent to his son. Thus it is now Education, and not Birth, that wins in the struggle for existence. And Progress, consequently, no longer requires the wholesale extinction of unsuccessful stocks. So long as a man be fairly healthy, there is no reason why he should not live and have a family, however uneducated he be. His children have only to be submitted to the proper influences to vie with the children of the wisest man in the land. These influences must, however, be brought to bear on them at once and continuously; and let it be carefully observed what this implies. Obviously the training received within the family will not be sufficient; both because the dull-witted parent is only capable of benumbing and brutifying the child, and because the most intelligent parent has not always the time, the taste, or the talent for careful teaching. Nor can private enterprise be relied on in a case where payment by results is practically impossible. There remains, then, the alternative that Mr. Spencer's own principles imply, though he would deny the implication with scorn. If each association endeavours to indoctrinate its members in its guiding tradition, why should not the association which includes all the rest, to which every child born in the land from the moment of its birth belongs, strive likewise to impress its stamp upon every citizen?

"The Community," says Mr. Spencer, "has no right and no fitness to decide on the character of the individual nature best fitted for harmonious industrial life, and on the nature of the discipline calculated to produce such a nature." As to the "right"

of the State to educate, if it can do so successfully, that is "right" enough. As regards its "fitness," Mr. Spencer's objections are: firstly, that it is an "artificial" process of adjustment—which is unintelligible; secondly, that it encourages "a passive receptivity and submissiveness"—which is not very intelligible; and thirdly, that it requires uniformity—which is intelligible enough, but quite beside the mark. For what if all alike learn to read and write? Is this kind of uniformity a mischief? Are men whose morals are uniformly good more objectionable than men whose characters are diversely evil? Surely, there are ten thousand truths that every child alike should learn, and can learn, to his whole life's advantage. And the State, as the association that has for its end general civilization and morality, is bound to provide for his general education just as the subordinate associations, either of their own responsibility or as directed by State-authority, are bound to provide for his education in the particular craft or profession that he elects to follow. It is no valid argument to the contrary to expose the shortcomings of modern State-education. Hitherto, Society can scarcely be said to have pursued its ideal consciously; and, meanwhile, we have advanced unconsciously, or half consciously, to what is, after all, not so very satisfactory a state of things. Nor, again, let it be supposed that the educative power of a State is simply to be gauged by the success of its Board-schools. All its institutions have their educative side, as Mill pointed out in his *Representative Government.* As the child has to be taught the guiding tradition of the community into which he is born, so the man has to be constantly reminded of it and exercised in its maxims.

Thus the ideal society will be one in which a man's whole life from the cradle to the grave will be a discipline in the doctrines and sentiments that make for social solidarity. Whether the power of ideas can so tranform a man's nature that all his anti-social tendencies be eradicated, even to the extent of teaching him to resist the temptations to idleness that any relaxation of industrial competition must entail, or again to control his philo-progenitive instincts as the general good may demand, is a question that only the experience of far-away ages can be

expected to settle. It is enough for us to point out that this is the direction that progress must take. Indeed, for the present purpose, which is simply to compare Mr. Spencer's theories with the actual facts, it is enough to show that at any rate the power of Ideas has to be recognized as a factor in Progress. Mr. Spencer's only hope for the world is that some day people may be born with bodies and minds that fit them exactly for some position in a keenly competitive industrial society. Out of the Economists' hypothetical conception of a merely wealth-seeking community, which really shows how mere wealth-seeking would defeat itself by pandering to the luxuries of a few instead of enriching each and all, Mr. Spencer has begotten for himself the phantom of a millennium that is to come about as soon as the Laws of Nature have taught the poor to enjoy pandering to the luxuries of the rich, and the rich to enjoy being pandered to by the poor. But, happily for mankind, the prophecy is founded on a mere miscalculation. The philosopher has forgotten to allow for the presence of Ideas in the world. Had he considered even one religious teacher's influence on human conduct, he must have seen how, for men that have reached a certain stage of mental development, living up to an Ideal is the prime propulsive force. Once convinced of this, even he might have admitted that the State can "interfere" for good. For the Social Ideal depends for its existence and maintenance on the educative effect of those institutions that give a society its right to the name; and State-interference, in Mr. Spencer's lips, may very well mean their organization and extension. As they extend, so will the Social Ideal gain power over the minds of men. And simply because men can become what they imagine themselves to be, if only they imagine strongly, there is, after all, good hope that posterity may one day enjoy, not Mr. Spencer's Justice, which is a rich man's justice, nor his Liberty, which is a liberty to starve, but the true Justice and the true Liberty, which are only to be found in that ideal society whereof the members are not more keen to demand their "Rights" than they are to do their Duties.

R. R. Marett.

THE TEE-TO-TUM MOVEMENT.

WHAT is a Tee-To-Tum? The question has often been addressed to the writer by visitors to the East-end of London, and the reply cannot fail to interest all students of the conditions of life in our crowded cities. Within the space of two years, or less, six institutions bearing that fantastic title, so suggestive of spinning-tops, have sprung into being in London, and what may be termed the Tee-To-Tum movement promises to become, socially considered, one of the most important of recent years.

Briefly, the originator of the movement, Mr. P. R. Buchanan, convinced by experience of the necessity, desires to establish Temperance Institutions, containing all the attractions of a good club, with some others in addition, upon a self-supporting basis; and in order that this may be brought about the business element is made to play an important part in the scheme. Workers in the East-end must be aware of the existence of the ordinary working-men's club which is to be found in most parishes. Intended as a counter-attraction to the public-house, it generally fails in its purpose, by reason of the inadequacy of the accommodation provided. There are one or two exceptions to this broad rule: notably the Oxford House Club and the University Club, Victoria-park Square. The latter, having a membership of about a thousand, owes its position to the steady labour of Mr. Buchanan, and the experience he gained in working it has been turned to good account in the establishing of the Tee-To-Tums.

The limited space at my disposal will not admit of a lengthy description of the growth of the movement; it may suffice for present purposes, therefore, if the main features of one of the institutions be touched upon as shortly as possible.

A representative one is that in Shoreditch, overlooking the station of that name on the North London Railway. Its entrance is in High Street. A narrow doorway: on the left a small window arranged in the usual manner of a "tea-shop," on the right a long stretch of plate glass with an inscription in white letters, "Tee-To-Tum Dining and Refreshment Rooms and Working Men's Club," is sufficient evidence that we have reached our destination.

Another inscription informs us that we can obtain Tee-To-Tum Teas at 1*s.* 1*d.*, 1*s.* 4*d.*, 1*s.* 8*d.* and 1*s.* 10*d.* per lb.; and we gather that the component parts of the Institution are—

(*a*) A "tea-shop," wherein may be obtained Teas at the strikingly low prices mentioned.

(*b*) A working-men's Dining-Room.

(*c*) A working-men's Social Club.

The business element is represented by (*a*), the social element by (*c*), whilst (*b*) partakes of the nature of both, since the East-end needs a number of dining-rooms, where good wholesome food may be obtained at low prices, served in a cleanly manner; and, inasmuch as a dining-room of this description may be made profitable, it cannot be regarded as a purely philanthropic venture.

The connection between the three is as follows: the proprietors of the Tee-To-Tum, which name it will be understood is applied to the institution as a whole, bear the initial cost of the alteration and fitting up of suitable club premises, on the understanding that they reserve so much of the ground floor as they consider necessary for the purposes of their business, they being tea-dealers. They also undertake to meet any deficit there may be in the club accounts at the end of the first year's working, believing that after that period has elapsed the club will be able to meet current expenses. At present the proprietors also retain control of the dining-room and its finances, though we believe this may not be a permanent arrangement. The accounts of the club are kept strictly separate from those of the business, and are audited by club members half-yearly. The management of the club is vested in a president, two or more vice-

presidents, and a committee of twelve or fifteen, the latter holding office for twelve months. All officers are elected by the members.

The objects of the club are, the recreation, mutual improvement and social enjoyment of working men in the East-end, though a limited number of other residents are admitted. It is non-political, and no gambling or alcoholic drink is allowed on the premises. The subscription, viz. tenpence a month, admits a member to all the club's privileges, which we will presently enumerate, first making a tour of inspection over the premises. Entering, we pass through the tea-selling department—which calls for no other remark than that the low prices at which the article is sold are much appreciated by the numerous customers [1]—and turning to the right, descend two or three steps into the public dining-room, or café as it is called. Herein a really good plain dinner of meat and vegetables may be obtained for sixpence, and other food commodities are proportionately cheap. Large numbers of working-men dine and take tea here daily, and a room set apart for women is also much used. It may be well to mention that only after many months' experience has it been possible to make this department pay its expenses. It is now doing so, and no doubt may become a source of profit in the near future if it is not so at present. Folding doors at the end of the dining-room admit us into a small lobby, from which we pass into the entertainment hall and an auxiliary billiard-room, open to members of the club only. For these purposes two arches underneath the North London Railway have been utilised. The hall is capable of seating about five hundred persons, and an excellent stage, with the necessary scenery for dramatic purposes, has been erected at the farther end thereof. Dressing-rooms have been obtained by partitioning off a portion of arch number two, and

[1] It may be well to mention that the "tea-shop" is open to the general public, and is conducted as an ordinary business. The low prices at which the teas are sold are accounted for by the fact that the proprietors, being agents on a very large scale, can dispense with the intermediary charges usually made before the article reaches the consumer.

the remainder of it is occupied by the billiard tables, four in number. Returning through the public dining-room, a prominent staircase, with the notice at foot "For members only," suggests the direction of our further inspection. At the top of the staircase the club clerk is stationed. It is his duty, amongst other things, to see that only members, or visitors introduced by a member, enter the club premises. Having satisfied him of our right to do so, we pass into the members' café, a large comfortably furnished room, with artistically coloured walls, upon which hang photographs, beneath flags typical of many nations, the whole arrangement testifying to the admirable taste of the lady under whose direction the work of decoration has been done. From the café we enter the reading and games rooms, and the lavatory. The reading-room, with its cosy chairs, bright pictures, and plentiful supply of newspapers and magazines, would do justice to a West-end club. There is a small library in connection with it, and the books are taken away for a stated period, if desired by members.

The games-room is devoted to chess, draughts, and cards, and is much frequented.

The lavatory is well supplied with hot and cold water, and a clean towel may be obtained, or the loan of shoe-brushes, of the attendant, upon payment of a halfpenny. Those who desire to have their boots cleaned pay a penny for the privilege.

On the floor above the member's café, etc., we find the principal billiard-room, which contains seven tables, and the bagatelle-room, containing five tables.

These are much patronized, and are important factors in the club life, for they directly appeal to the men who are usually accustomed to spend their evenings, amidst less desirable surroundings, in the public-houses of the district. In addition to this they are valuable sources of revenue—an important consideration in a club of this nature. The charges for the use of the tables are less than the ordinary payments hereabouts. A billiard-table can be hired for eightpence an hour, or a bagatelle-table for threepence an hour.

Two rooms, reserved for classes, committee and other meetings

complete the existing club premises, which, it may be mentioned, are scarcely commodious enough for the many activities of the members, who number about nine hundred at present. It has been found necessary to refuse to enrol many applicants during the winter months, in consequence of the comparatively limited space at the disposal of the club.

The attractions of the club may be, to some extent, gathered from the foregoing, but we should not do it justice if we did not enter a little more into detail. The entertainment hall serves many purposes. At least twice, and recently three times, a week, either a good dramatic performance or a smoking concert takes place, the former on Saturday night, the latter, alternating with good ballad concerts, on Mondays. To these entertainments the members are admitted free, and they are exceedingly popular. Great care is taken to exclude vulgarity from the performances, and as a consequence, members' wives and sweethearts—who can be admitted as visitors, if introduced—attend very regularly, and, without doubt, act as a restraining influence upon those members who are inclined to express their approval or disapproval in language "more forcible than polite."

During the winter months the hall is also used on one evening a week for dancing. At intervals, "plain and fancy dress balls" are arranged as additional attractions.

Notwithstanding many puritanical objections, and forebodings as to the evil results of such a course being adopted, the institution of dancing has been proved a distinct good, and a refining influence of considerable value. Gymnastic exercises, under a competent instructor, fill up another evening in each week, and "Band Practice" or Choral Society meetings take up the remainder. It will be seen, therefore, that the hall plays an important part in the life of the club, and is, in fact, absolutely indispensable. In connection with each club there are generally numerous small societies and classes of an athletic, social or educational nature—as for example, Harriers, Rowing, Swimming, Cycling, Football and Cricket, Choral, Orchestral, Chess and Draughts, Dramatic, French, German, Shorthand, Elocution, etc., etc. These are, on the whole, successful, but the educational

side of the work has not yet received the serious attention which it demands, the main difficulty being to obtain instructors for the various subjects.

Competitions in the numerous games indicated are constantly being arranged among the members, and are sources of much keen rivalry and enjoyment.

The six Tee-To-Tums are alike in their general arrangements and, with one exception, management. The exception is the one in Whitechapel. It was the first opened, and has had an eventful history. Fifteen months ago it had to be closed in consequence of its having become a resort of gambling Jews. When reopened, it was decided that Jews could not be admitted within the building, as it was found that the English working-men declined to associate with them. The membership was therefore much restricted, as the district is almost entirely Jewish, and, consequently, the loss on the club was too serious to admit of its continuance by the proprietors after the next nine months had elapsed. On this decision of the proprietors becoming known, the true "grit" of the English working-men declared itself, and a consultation between the "worker" in the club and three or four of the leading members, resulted in the club premises being taken off the hands of the proprietors for the space of twelve months as an experiment, the members referred to undertaking the necessary work of the club entirely without payment—thus reducing the expenses very materially. One cannot write too highly of men of this stamp, who are content to give the whole of their time unoccupied by daily labour, for the benefit of their fellows, without hope or prospect of pecuniary reward. The results of their self-sacrifice are shown in a club, of about 230 members only, containing so much *esprit de corps* that they managed to carry off nearly double the number of prizes allotted to the next in order of merit, in the inter-club winter competitions.

These inter-club competitions do much to foster a spirit of fellowship amongst the members, about five thousand in all, of the various clubs. They are arranged in both summer and winter games and sports. The former take place in the grounds

attached to the Stamford Hill Tee-To-Tum, which is regarded as a country-house for the members of the East-end clubs. It has a local membership of about 1000 in addition.

The clubs, other than those alluded to, are situate in Ratcliff, Commercial Road East, and Hackney.

Can they be self-supporting? We believe that with proper management they can. The first year or two of a new movement is necessarily a time of experiments. Experience modifies and alters much, and it generally has to be paid for. But we believe the movement has successfully emerged from the experimental period, and has laid the foundations for future success. The clubs are all prospering now, and there seems to be no limit to their extension, not in London alone, but in all great cities.

Already the interest of Americans has been awakened, and an article has appeared upon the Tee-To-Tums in an American Review. Sooner or later the "temperance party" in England will recognize the vast importance of the movement—will see that here is a power for good, greater than aught else of its kind, and of limitless possibilities. To establish the fact that a temperance working-men's club *can* be made entirely self-supporting and immensely attractive, is a triumph fraught with important consequences, which cannot be realized too quickly.

It should be mentioned, however, that much depends upon the spirit of the members, which is in turn dependent upon the club "worker." He must be a man of wide sympathies and strong individuality, yet capable of adapting himself to the needs of those around him; level-headed and clear in judgment; one upon whom the members can depend for wise guidance at critical periods in the club's history. He must inspire their respect, and the disinterestedness of his motives must be apparent. For this latter reason the layman is a greater success as a worker in clubland than the clergyman. Unfortunately, the latter is still regarded by the working-men with a greater or less degree of suspicion. "He is paid to preach," they say, and so they turn deaf ears, as a rule, to his preaching. But the quiet example of a club worker, actuated by true love

of Christ, is bound to tell upon them; for they know his work is at least work of love, and carries with it no pecuniary benefit. Many elements are necessary to ensure success, this being by no means the least important.

Although the experiment has not yet been made, it would be an undoubted advantage, and a stimulant to the club-spirit, if the "worker" himself resided on the premises. By doing so it might be possible to lay the foundation of a neighbourhood guild, somewhat on the lines of that suggested by Dr. Stanton Coit, and so gradually extend the influence of the club far beyond the limits of its own walls. One such institution in each of the crowded districts in this and other great cities, would do such an amount of good as can only be imagined by those who work and live amidst the patient toilers who know so little brightness and joy in their weary lives.

It has scarcely been possible to do justice to the Tee-To-Tum movement within the limits of this paper, but I trust sufficient has been written to excite the consideration of all interested in the problems of East-end life. If men may be induced by its perusal to join in the grand work which here lies open to them, the writer will be sufficiently rewarded.

H. Otto Thomas.

WHAT ARE ECONOMIC LAWS?

I.

THE phrase "Economic Laws" has been used by theoretical students as implying the claim of Political Economy to be a science like the sciences of nature. It has been used, or misused, by practical persons, to imply that they possess rules or maxims to guide them in social and political affairs. People have debated as to the amount of respect which economic laws deserve—whether they ought to be relegated to Saturn or fulfilled on this earth. It would have been wiser to ask first, what economic laws mean, or can mean. Whether they can mean anything at all has certainly not been a usual question. But in the January number of the *Economic Review*,[1] Professor Cunningham has propounded the startling thesis, "that economics is not a science of 'cause' and effect, but a pure science, like logic or geometry, where this conception of 'cause' is not appropriate;"[2] and in accordance with this view he wishes to get rid of economic "laws" altogether.[3] Professor Cunningham seems to hold that there may be, on the one hand, a pure science of economics, and, on the other hand, an economic history—by which he can only mean the historical enumeration and explanation of particular economic facts and conditions, since he denies the possibility of economic laws expressing causal relationship. This opinion runs quite counter to the growing tendency (conspicuous in Professor Marshall's *Principles of Economics*) to a reconciliation between the abstract and the historical schools of economists. Professor Cunningham would prevent theory and history from quarrelling

[1] Art. "A Plea for Pure Theory."

[2] Page 33.

[3] Page 41.

by keeping them strictly apart. It is difficult to understand what the contents of "pure" economics could be, except certain mathematical ingenuities about exchange. All other parts of economic theory would be crushed out of existence.

Professor Cunningham speaks of the gratitude we owe to Ricardo for giving a precise meaning to the term *rent*,[1] and says that the economic historian has his work simplified for him by the progress of pure theory. But is there any meaning whatever in Ricardo's definition of rent (let me call it a definition and not a law, reserving discussion of the relation between these terms) apart from the question, What is the *cause* of rent? The definition, as (according to Aristotle) every good scientific definition should do, states the cause of rent, *i.e.* explains how economic rent arises. This is the very service which economic theory, even though it may seem to be merely concerned with disputes about the meaning of words, renders to the ordinary practical discussion or to the historical investigation of economic questions. Take a familiar illustration of the way in which an economic theory helps us to get beyond the confusions of ordinary thought and language. A shopkeeper in a fashionable and much-frequented street will say that he charges high prices *because* he has to pay a high rent; and if one does not go beyond the facts present to his mind when he says this, he may be said to be speaking correctly, so far as he means that his high prices and his high rent go together. Particular cases might even occur where he had to raise his prices, after his rent had been raised; and such cases would certainly confirm the notion that the high rent caused the high prices, though, of course, the owner's motive for raising the rent is his knowledge of what can be paid. Scientific theory must, however, go farther back, and ask why a high rent can be paid—why a shop in a fashionable thoroughfare brings to its owner a higher rental than a shop which it costs an equal sum to build and keep in repair in an unfashionable and little-frequented street. The "owner" of the premises may explain that he has to charge a higher rent to make his investment in

[1] Page 29.

house property "pay:" he had to pay so much more for the site, or he has to pay so much more ground-rent. The theorist must still ask, Why does the ground-landlord get more in one place than in another? and the answer must contain something like the essential element in Ricardo's theory of rent, difference in convenience of situation taking the place of difference in fertility of soil. We thus arrive at the conception of economic rent as distinct from interest on capital, etc. Now, is not such an analysis an investigation of "causes," quite as much as in any natural science? In pathology there may be the same initial difficulty in distinguishing causes and effects, as in the case we have been considering. What appear "causes" to the patient may be regarded as only symptoms, *i.e.* effects, by the scientific physician.[1]

Professor Cunningham's thesis appears to me to involve (1) an error as to the nature of scientific "laws" generally; (2) an error as to the position of economics among the sciences; (3) an error as to the nature of history. I must try to justify these statements.

[1] One reason which Professor Cunningham gives for denying that economics deals with causes seems to me very curious. The conception of cause as invariable antecedents, the conception usual in physics (at least, in the opinion of most English logicians, and in the words of most English scientific men who have got their logic from that quarter), is, according to Professor Cunningham, "not appropriate, because it is inadequate. The economist must endeavour to grasp at one view 'manifold mutual action' [Professor Marshall's phrase]. Such mutual and simultaneous action cannot be satisfactorily treated by looking at it, first from one side and then from another, as a sort of double causation. Kant has taught us that we must apply a different category altogether, and deal with it as a case of *recipocrity*" (p. 33). The inadequacy of the popular theory of causation does not, however, prove that the conception of cause which was applicable in physics is inapplicable in economics; still less does it prove that economics must be treated on the analogy, not of physics, but of the more abstract sciences of geometry and "pure" logic. It would be an argument for applying to economics less abstract "categories" (*i.e.* fundamental conceptions) than are applied in physics, and certainly not for applying more abstract "categories." A sounder logic and metaphysics than those of popular language and popular science might make the physical conception of cause less inadequate to economics; but should hardly lead us to thrust the conception out of economics altogether. Nay, if we come to see that causality is not one isolated relationship among others, but that causality ultimately implies the relationship of every phenomenon to every other in the universe, so far from denying causality in economics, we should have to recognize it in geometry. So that even the analogy of geometry will not put an end to economic "causes" and economic "laws."

1. We seem to have lost somewhat our sense of the unity of scientific method by the modern use of the terms "law" and "cause." There is, indeed, a great difference between a geometrical formula, applicable irrespective of time, and a theory in geology or biology, which cannot be expressed at all without bringing in a reference to time; but nevertheless there is something common to both. The Aristotelian logic of science, formulated with special regard to geometry as the type of science, is still applicable, though not fully adequate, to science generally. Αἴτιον, which we translate "cause," was, in Aristotle's view, not inapplicable in geometry. The geometrician asks "the why" of spatial phenomena which the practical craftsman may have discovered. The scientific "definitions" in which a science culminates, as distinct from the mere nominal definitions or explanations of terms with which it begins, are what we should call "laws." Thus the law of gravitation is our definition of gravitation, a definition which gives not merely the fact but the reason, by connecting the fall of an apple here and now with all the matter in the universe; just as a proposition in geometry connects one fact of space-relations with others, *e.g.* the properties of the parallelogram with those of the triangle. Darwin's theory of natural selection may be called a definition of "species," superseding the older definition, which is descended from Plato's theory of ideas through the medieval doctrine of *infimæ species.* Suppose we agreed, then, that economics had to do only with definitions, that would not prevent its having to do with "laws" and "causes."

2. Even "pure" logic, which must mean an analysis of the *forms* of thought, cannot be profitably pursued without some reference to the language in which our judgments are formulated, and therefore cannot quite avoid recognition of the influences of time and place, or does so only at the cost of ceasing to be a genuine analysis of actual human thought.[1] Much more is

[1] I cannot here discuss the question, in what sense logic is a "pure" science. I would only point out that the more fruitful developments of modern logic have not been brought about by assimilating logic to a branch of algebra, but by introducing into the analysis of logical forms some of the vivifying conceptions of biology. I

this the case with a science that deals with wealth, *i.e.* with the instruments for the maintenance and enjoyment of human life and human society. Wealth has necessarily varied in character according to the other conditions, natural and social, of human living. Even the exchange of wealth cannot be properly or profitably studied, as it were, *in vacuo*, apart from the conditions which make different commodities desirable in different degrees to different persons. The attempt to construct a pure theory of economics equally applicable at all times and in all places, must necessarily result in the economist taking certain phenomena of his own time in isolation from their social context, and formulating principles which can only be made rigidly true and universal by being gradually divested of all reference to any reality, so that they finally become absolutely identical, *i.e.* purely verbal propositions. The interest of such formulæ can only be restored by replacing them in the historical environment which produced them. Ricardian economics and Austinian jurisprudence, similar in their abstractness and in their endeavour to reach absolute universality, require to be looked at in the light of the particular conditions of English industry and of English legislation in the earlier part of the century.[1] The attempt to escape history in dealing with human phenomena makes the restoration of the particular historical background of the theorist essential to the understanding of the professedly abstract theory.

may refer to Mr. Bosanquet's *Logic*, where the forms of judgment are classified on a genetic principle. Doubtless Professor Cunningham would not allow that this was "pure" logic. It is, however, more like logic worked at in the spirit of the *Analytics* than the mechanical treatment of abstract formulæ without any examination of the concrete living judgments which actual human beings think, and which they express in this or that language. Even in logic it seems a pity that so little account has generally been taken of the diversities of language. How much of Aristotle's logic is explicable by reference to Greek idioms, and would have been differently phrased by any one using a different language!

[1] Bagehot, in his brilliant essay on *The Postulates of English Political Economy*, points out the analogy between "political economy as it was taught by Ricardo," and "jurisprudence as it was taught by Austin and Bentham," and remarks on the similar fate which has befallen both: they have remained "insular." In each case the attempt to work out "pure theory," unadulterated by history, has resulted in the "theory" being unintelligible and inexplicable except in the immediate surroundings of those who have enunciated it.

Those who have treated the laws of economics as analogous to those of physics are not wrong in treating the science as too concrete, but in not treating it as concrete enough. Its place is among the social sciences, and it fully shares the difficulties and complexities which attend the study of human beings when we consider them as more than mere animals, *i.e.* when we pass from biology to sociology. Economics has certainly an advantage over certain other branches of sociology in dealing with a subject that admits of quantitative measurement. The quantitative measurement of pleasures and pains (the assumption of the older Utilitarians) is an illusion; but the objects of desire admit of quantitative measurement by whatever medium of exchange is adopted. The possibility of obtaining an object of desire by exchange permits and compels the person desiring to quantify his demand precisely. A man climbing a mountain in a hot sun may say vaguely that he would give "anything" for a glass of beer; but the presence of a refreshment hut may prove that his demand does not really amount to two francs. This possibility of expressing economic desires quantitatively, and this alone, gives economics the appearance of being more closely related to the mathematical sciences than, *e.g.*, jurisprudence or politics. Statements about value have an air of mathematical exactness, and consequently of detachment from a historical environment which does not belong to propositions about the relation between crime and punishment, or about the differentiation of the sovereign power in a community. But this facility of general statement has in it something illusory. As has just been said, many propositions can be made perfectly and universally true in proportion as they are removed from definite and particular application. We might extend the money measurement into morals, and say that every man has his price; but to make the proposition true we should have to add that there have been some men the price of whose corruption by certain temptations would be something more than all the kingdoms of this world. The maxim then simply means that every one is induced to act in any given way by the motives which are strong enough to make him act in that way—which

is certainly true, but is somewhat pointless, and is not quite what the royal cynic meant.

3. History stands apart from other sciences in being concerned with things that happen once for all: in this aspect it is not, strictly speaking, a "science," science being concerned with universals, with statements not about "this," but about "the."[1] Yet of history we may say that it is always "wishing" or striving to be a science, to see the universal in the particular; whilst giving a true picture of the events which have happened, to give also a true picture (as Thucydides says) "of the like events which may be expected to happen hereafter in the order of human things."[2] The scientific and philosophic historian of the English or of the French Revolution is dealing with general problems of human nature and human society, as they appear at a particular time, and in a particular country. Besides the mere investigation of particular events, there is a possible "political science" (or, at least, a possible ideal of such a science), which, based upon history, shall attempt to arrive at some general "laws" about the nature and functions of the State; *i.e.* to give "definitions" of political concepts, which shall be, wherever possible, genetic, assigning causes, and so taking the subject explained out of its isolation, and showing its connection with other phenomena of social life. Thus, an analysis of "representative government" should contain a recognition both of its origin and of the purposes which it serves—in Aristotelian language, of its material, efficient, and final causes. (That a good definition gives the "formal cause," goes without saying.) If economic history deals with particular events and series of events, is there not also conceivable an economic science which deals with the "laws" of the production, exchange, distribution and consumption of wealth—in other words, which gives scientific *definitions* (in the sense already explained) of economic concepts, such as value, rent, interest?

[1] Cf. Aristotle's well-known saying about poetry being more philosophic than history, because it deals more with the universal, with "what might occur" (*Poet.*, c. 9).

[2] *Thucydides*, i. 22.

In order to get economic laws, however, we must, it may be urged, abstract from the concrete facts; we must make hypotheses. Our laws are not, therefore, generalizations from observation of economic facts, but deductions from the assumption of certain facts of human nature—assumptions made by popular psychology, supplemented (and this must not be forgotten) by certain, usually tacit, assumptions as to stage of civilization, etc. Granted that economic laws are hypothetical in their character, that makes no difference between them and laws of nature. Laws of nature are commonly supposed to be generalizations from observation of facts. They rest upon certain facts, it is true; but they are general only because they are hypothetical. If they are not mere "empirical laws," *i.e.* mere generalizations *of* experience, but true "laws of nature," they contain some fact of causation, they assert a necessary connection, and *therefore* they would be most correctly formulated as hypothetical propositions. The true universal judgment, *i.e.* the judgment which asserts necessity of connection, and which is not a mere summation of observed particulars,[1] is best expressed in the hypothetical form. Thus: "All triangles [not merely "all *these* triangles," but "all triangles *quâ* triangles"] have their angles together equal to two right angles," means, "If this, or any figure, is a triangle, it must have its angles together equal to two right angles; it has this property because it is a triangle. The triangularity is the 'cause' of its having this property." And this proposition, this "law," if we care to call it such, would be true, although no actual perfect triangle could ever be "observed."

The same holds in physics. The first law of motion asserts that, "if a body be in motion, it will move in a straight line and with a uniform velocity, unless acted on by some external force." Where are the "observations" from which this could be said to be a "generalization"? The "law" is a statement of what is never realized in our experience. Its necessity and its hypothetical character go together. In formulating laws of nature, we are simplifying nature for ourselves; not attempting

[1] *I.e.* the judgment which is true καθόλου and not merely κατὰ παντός.

to *follow* facts, which are too complex to be grasped in their entirety all at once, but seeking to *interpret* facts. The laws of economics claim to be laws in the same sense. They are hypothetical propositions stating what, under certain conditions, would happen. (The mischief is, that "the practical man" is apt to run off with the statement of a tendency, and to forget the qualifying conditions.) These "certain conditions" may be more or less far removed from anything that can be observed or realized in our experience. The conditions for observing the law of gravitation in operation are not so difficult to fulfil as the conditions for observing the first law of motion. To observe the first law of motion (at least, the part of it I have here quoted) in operation is strictly impossible. In economics we can find cases where the condition of absolutely free competition is approximately realized; but it is only an approximation at the best. On the other hand, such a condition as the "transferability" of labour (to use Bagehot's expression), *i.e.* the possibility of its being transferred from one occupation to another, cannot be even approximately realized, except within very narrow limits, or unless we take into account a long period of time.

It is customary to oppose the abstract and deductive method to the historical and inductive. Neither of these methods can exist in absolute isolation from the other, though the opinion that they can is apt to prevail, and to cause misunderstanding. If, to simplify some economic problem, we set up a fictitious "economic man," a human being actuated solely by the desire to obtain the greatest possible wealth, we must place him in an environment of similar individuals—and these similar individuals must be thought of as held together in a community, though it be merely a community based on economic interests. We must presuppose a certain minimum amount of mutual trust and confidence, even as the basis of the most purely commercial relation. That is to say, we borrow our notion of the economic man from the business world which is known to us, leaving out of sight the other aspects and relationships of the individuals. The fact that it is possible to construct illustrations of the most

abstract economic laws, shows that there is, even in deductive political economy, an element of induction, *i.e.* of verification in experience, though it may be fictitious experience; for all our fictions must be borrowed from facts, although by a process of abstraction. These tales of the economic text-books ("Place two men on a desert island," etc.) are the very imperfect substitutes for the laboratory experiments of physics and chemistry.

On the other hand, mere inductive generalization, unmixed with hypothesis, is impossible. Even in collecting statistics, we must have some rough guiding idea to determine us what sort of "facts" to collect. If in collecting information about London pauperism, we find out how many of the paupers are town-born and how many country-born, we do so under guidance of the hypothesis, suggested to us by our ordinary practical knowledge of human nature, that there may be some connection between the two sets of facts, *e.g.* that the town-born may be of inferior physique, and brought up under worse conditions, or that the country-born may have less capacity of adapting themselves to town life. The falsehood of a hypothesis, as logicians have often pointed out, does not prevent it from being useful; the important thing is that a hypothesis should be capable of at least approximate proof or disproof.

It is obvious that the historian in searching for the causes of social phenomena must have hypotheses in his mind, just as much as the physician in making a diagnosis of a case. Here comes in the value of the trained imagination. The historian of the French revolution would not make a study of the literature of the eighteenth century, or of the prevalent opinions about the English constitution, or of the American revolution, except under the idea that these subjects had some connection with the main subject of his research.

The difference between the method of pure theory and the historical method can only be one of degree. The ideal of an absolutely pure theory unmixed with any empirical element is as impossible as the ideal of an absolutely pure logic unmixed with any reference to the actual judgments and actual inferences made by human beings. And such an ideal seems

the more out of place in a science which professes to deal with social phenomena. Mere history, on the other hand,—if we may apply the term "history" to a mere empirical collection of facts unmixed with any element of hypothesis, any attempt to find causal connections,—is impossible: except, perhaps, to some kinds of lunatics. Any approach to it seems ludicrous, as in the irrelevancies of Juliet's nurse, or in that sentence of Burnet's, ridiculed by Swift: "Upon the King's death, the Scots proclaimed his son king, and sent over Sir George Wincan, *that married my great aunt*, to treat with him while he was in the Isle of Jersey." Swift asks, in the margin of his copy, "Was *that* the reason why he was sent?" The reader expects a causal connection, and finds a statement that has a mere private interest to the writer.

II.

So far I have considered only the resemblance between economic laws and laws of nature (in the sense in which that term is used in physics, chemistry, biology, etc.). I must now ask whether there is any difference between a physical and a sociological law? This question involves the most important of all philosophical questions, what is the relation of man to nature?—a question which is ambiguous with, at least, all the ambiguity of the word "nature." In one sense it may be said to be a presupposition of any scientific study of human phenomena, whether in psychology or in any of the social sciences, that man is a part of nature, *i.e.* that his actions may be regarded, like other events, as belonging to a coherent and intelligible system of things—in more familiar, though perhaps less accurate words, that they present certain uniformities of co-existence and sequence, capable of being discovered and expressed in generalizations. If we are to have psychology or any social science at all, we must recognize the universality of the causal nexus. But while this is admitted, we must not lose sight of the difference between (1) events in which the agents attain ends without purposing them, and (2) events in which the

agents attain ends which they have more or less purposed to attain. A great part of human phenomena belongs, as much as do the non-human phenomena of nature, to the former class; and even where purpose comes in, it comes in in very different degrees. In all parts of social evolution, many of the most striking results have been those which the agents did not intend. If human phenomena did not, to some extent at least, belong to the non-purposed class, we should often have to count the persecutors of a religion among its supporters. Even where the result is in the direction of that which was designed, it often contains elements which are due to some stronger forces than the volitions of the individual actors, forces of the same kind as those operating among plants and animals. Nevertheless, we are not viewing the facts of human evolution aright, if we fail to recognize the occasional presence of conscious and deliberate purpose among the causes at work. Reflection and effort are causes which may be explained and traced back to their causes like any others, but they make a difference between the regions where they are present and those where they are not.

The first effect of applying scientific methods and conceptions to human phenomena, and so lifting them out of the domain of chance or arbitrariness, has generally been to produce a feeling of the helplessness of individual and even of social effort, in the presence of great natural forces and tendencies. The recognition of order (*i.e.* of what is order to the scientific understanding, not necessarily to the moral sense) has been apt to mean the abdication of rational endeavour. It is therefore worth calling attention to the differences which gradually show themselves between social and merely natural phenomena.

Some instructive illustrations of the resemblance and difference between human and physical science may be found in the case of language. It has been argued that language has a life and growth of its own with which men cannot interfere. In support of this view, Professor Max Müller has brought forward the famous examples of the Emperor Tiberius being unable to give Roman citizenship to a word not recognized by grammarians, and of the Emperor Sigismund being unable

to make *schisma* feminine at the Council of Constance. But can it be inferred from this that the development of language is a purely natural process? In the first place, an absolute ruler can permanently alter very little of anything unless he has a strong current of public opinion with him. As has been said of the Emperor of China, "Le fils du ciel peut tout—mais à condition de ne vouloir que ce qui est connu et traditionnel." These stories of Tiberius and Sigismund do not prove language a natural growth independent of human volition, any more than any admitted "institutions," such as laws, social usages, fashion of dress, etc. Secondly, while it is obviously true that the will of an *individual*, however highly placed, can do very little, yet many changes in language are ultimately dependent on the will of individuals. Who gives nicknames? Who invents slang? Generally it is impossible to discover; and yet we know that some one person must have used the new term first of all, just as much as in the case of new technical terms, where the originator can be more easily traced. Introductions of new words or phrases, which we may observe within our own experience, are, however, only specimens of the nature of a process which has always been going on in language. The new "variation" must originate with some individual. If it proves convenient, or in any way suits the fancy of others, it takes root and spreads; if not, it withers and dies out. The rise of literature gives greater fixity to language: the establishment of schools, the recognition of certain usages as "classical," the making of grammars and dictionaries increase the force of the check imposed on "natural," *i.e.* simply unconscious, phonetic change. But such fixity is produced by more or less deliberate human institutions. The most conspicuous case of what, by contrast, might be called merely natural change, is where a people, adopting a new language (*e.g.* that of a conquering tribe), modify sounds that are difficult or unfamiliar to them. Here the resultant language might almost be compared to a chemical combination. But there is no limit to the *possible* changes in language that may be made on conscious individual initiative, except the limit of the capacities of the human voice. No

fashion could induce men to speak with the tongues of nightingales or larks.

Political institutions supply other illustrations of the relation between the volitional and the merely natural element in human history. That "constitutions are not made, but grow," is accepted as so much a commonplace that people forget to ask "How do they grow?" At least, they grow not exactly like weeds, but like cabbages that have to be planted. Besides, the most ingenious political schemes come to nothing, if not adapted to the people and the time; they are unsuccessful "variations." But every change in law or custom must originate in some person doing or abstaining from doing some particular thing. So that the "growth" of constitutions does not exclude the "making" of various parts of them. The idea of "natural selection" will apply perfectly to human evolution, if we remember that the variations on which natural selection works in human phenomena arise, not merely (1) "spontaneously" or "accidentally" (the words we use to express our refusal or our incapacity to pursue the question farther), but (2) by imitation —which is at least a half-conscious process, and (3) by deliberate effort, as the result of reflection, with a view to obtain certain ends. Where such reflection has really anticipated what is advantageous, natural selection seems to be superseded in successful artificial or rational selection. The limits of deliberate constitutional change are sufficiently obvious: they are chiefly geographical conditions (though the effect of these may be very much modified by mechanical inventions), and the intellectual and moral capacities of any particular race (though these may be greatly affected by the discipline of education and religion).

Changes in the economic condition of a people are, it is clear, very largely dependent on circumstances over which man's control is limited. The duration and hardiness of human life, climate, the supply of minerals, the fertility of the soil, the facilities of communication, are all in different degrees incapable of modification. There are, further, obvious limitations to the possibility of human effort and endurance, though these may be greatly modified by improved methods, by economy of labour,

etc. There are also certain necessary limits to the extent to which any given occupation may be adopted by the members of a community. Thus, to take an old and extreme instance, everybody could not subsist by taking in everybody else's washing.

But there are very many economic phenomena which are dependent on individual action and social approval, *e.g.* the different forms of land-tenure, the degree in which freedom of bequest is permitted, the kind of contracts which are sanctioned by law and custom. All these may be and have been altered—not indeed by the arbitrary will of individuals acting in isolation, but by the will of individuals approved of by the general consent, or submitted to by the general acquiescence of the community.

Such matters as the hours of labour, the standard of comfort, the health conditions of industrial occupations, are partly dependent on natural necessities which can only be affected through mechanical inventions, but partly also on custom, which may be affected by moral and political changes. Thus, while it has been proved that the hours of labour can, in many cases, be diminished to some extent, without a necessary diminution in the product of labour, it is clear that this diminution cannot go on indefinitely; else with no work at all, as much would be produced as with a great deal of work. But what amount of commodities are required, and what kind of commodities, are questions which depend, to a large extent, on demands which are not permanently fixed by the nature of things, but are partly dependent on moral causes. Such questions are surely proper subject-matter for scientific inquiry; if they are not the subject-matter of economics—"applied economics" let it be called, if necessary—to what science do they belong? They cannot belong purely to economic history; for history has to do only with what has been, and here we are dealing with questions as to what economic conditions are possible, and what are their usual or probable effects on human well-being.

The recognition of a "moral factor" in economic law need not therefore vitiate the scientific character of the study: it will only make the difference between a less abstract and a more

abstract "law." The more conditions our law takes account of, the more likely are we to be able to verify it in experience.

Political history and the history of morals also have gained from the recognition of the economic factor. It is essential to have the connection pointed out between political, moral, and even intellectual revolutions on the one side, and economic changes on the other, to see how economic pressure has often brought about what moral efforts alone could not effect. But it would be quite a perversion of truth to resolve everything solely into its economic conditions: and it would be to misunderstand those economic conditions themselves. Economic wants are dependent on the whole social environment in which people live; and therefore moral, religious, intellectual, artistic conditions must be taken account of in order to explain them fully. Man cannot live without bread or some equivalent; but man cannot live, and never has lived, by bread alone.

If "Nature" be taken to include the whole of human phenomena, then it is inconsistent to exclude from nature anything that may be done by conscious and deliberate human effort. If we say "All that is is nature," we must include in our conception of nature the spiritual ideals as well as the material necessities of man. But, if so, it is inconsistent to deny intelligence or a "spiritual principle" in what we call nature, since this intelligence or spiritual principle shows itself in human beings. It is inconsistent science to regard man as entirely within nature, and yet to exclude from nature, in the widest sense, the highest intelligence and the highest goodness that have shown themselves in man. And it is surely an inconsistent "natural theology" which sees God in natural forces and yet refuses to recognize the clearer revelation of wisdom and justice in the history of social institutions and of philosophical and religious ideas—which sees God in the earthquake and the whirlwind, and yet refuses to hear when He speaks with the human voice of legislator, sage, and prophet.

III.

To recognize the existence of economic laws analogous to laws of nature does not require us to exclude from them the moral factor. But this recognition of the moral factor does not turn economic laws into moral laws. Moral laws are precepts respecting conduct: the phrase "moral laws" implies that morality is regarded on the analogy of a legal code. The term "laws" is used in the same sense as that in which it is used by lawyers—as an expression for what is *expected* to be done, not for what necessarily, under certain conditions, *must* happen. If the word "must" is used in expressing "moral laws," it means "ought," and not, as in laws of nature, "cannot but be." In both senses, indeed, "law" implies uniformity. Law, in the juridical sense, though it may nowadays be thought of as a command issued by a sovereign, was, in primitive times, simply the custom of the tribe, which every one was expected to follow, and which almost all persons did, as a matter of fact, follow. And, in the ethical sense, though moral laws may, among the higher religions, be regarded as enjoined by a divine legislator, primitive ideas of right mean the observance of the customs of our fathers. But, in spite of this resemblance, laws in the moral and juridical sense cannot be completely assimilated to laws of nature, not even if we introduce the sanction of them. "If you commit murder, you will be hanged," is not like a law of nature; because a murderer may escape hanging. "Murderers, if caught and convicted, are generally hanged," would, indeed, be a sociological law, analogous to a law of nature, expressing the prevailing custom. But in any formula which expresses a moral or juridical law there must be an expression, not of simple fact, but of something which is expected as right, although it may be that which is not always done. Even if ethics be looked at entirely from the point of view of the natural sciences and "metaphysics" rigidly excluded from it, it is still necessary to recognize the distinction between moral laws and sociological laws. "If society is to hold together and prosper, its members must keep faith with one another." This

may be called a sociological law; it may be reached by deduction from some obvious psychological facts supplemented by inductions from our ordinary experience and from history. It expresses the fact that human beings have to recognize the "moral law" which enjoins fidelity to one another. The liar, the fraudulent person, and the various violators of this moral law do not, and cannot, violate the sociological law: they illustrate it. A healthy society wars against them; because if they become abundant, any society will go to pieces. "In primitive conditions of society rigid observance of custom is essential to cohesion"—this is a sociological law, on which Bagehot has written luminously in his *Physics and Politics.* The "moral law" belonging to this stage of society would be, "Thou shalt not be eccentric"—a law which, in the form, "Thou shalt strictly follow the fashion," still holds among various groups of civilized persons who, for many purposes, are in the mental condition of barbarians. This sociological law is a law of the same kind as the biological law, that animals, in a state of nature (*i.e.* not domesticated by man), do not exhibit unsymmetrical markings because those with unsymmetrical markings are crushed out by natural selection. The moral law corresponding to this would be the precept, "Thou shalt not have unsymmetrical markings"—which sounds meaningless, because the tiger or the leopard cannot at will change his stripes or his spots.

Laws of nature, then, including sociological laws, cannot be violated. If a law of nature seems to be violated, either it has been incorrectly formulated, or else we are speaking, incorrectly, of violating a law of nature when we really mean violating some precept of prudence based—or supposed to be based—on a knowledge of the law. The man who dies from eating poison violates the precepts of health: he illustrates the laws of physiology. Economic laws, being sociological laws, are not precepts; in the strict sense they cannot be violated. Those who boast that they "believe in economic laws" can only mean that they believe in a certain form of society as desirable; and it would be less misleading if they said so openly. Economic

laws are true or false. They are to be believed or disbelieved; they are not an ideal which can be believed *in*. It is necessary to protest strongly, and even at the risk of repeating truisms, against this common confusion of language about economic laws. The protest is necessary both in the interests of science and in the interests of practical politics. The student of economic science, as such, does not provide social precepts; it is his business to study the phenomena in the same spirit as that in which the physiologist and pathologist study the phenomena of health and disease. The practical physician is dependent on their discoveries; and the relation of the practical politician or social reformer to the economic theorist ought to be of the same kind, and of the same kind only. The physician is concerned with the life-history of microbes with a view to the safe-guarding of human health; and similarly the politician is concerned with the operation of economic forces, not in order that he may necessarily always give them a free field to operate in, but in order that he may further them, check them, or direct them into new channels so far as it is possible for him to do so in the interests of social health. It is not meant, of course, that the functions of the scientific economist and of the social reformer cannot be combined in the same person, but simply that the functions are distinct from one another, and that the most careful student of facts is the least likely to confuse sociological "laws" with moral ideals or precepts of political practice.

David G. Ritchie.

THE QUESTION OF POPULATION.—II.

IN a former article[1] the problem of population was considered historically, with a view to ascertaining how far Malthus's theory, as generally understood, is supported by the facts of economic history. Such an inquiry is necessarily very imperfect, for the statistics on which we must rely have been recorded for a very short time, virtually for less than a century; but, so far as they are to be trusted, they do not support, but rather disprove, the theory that population is pressing with increasing force upon subsistence. The history of European races shows us a gradual raising of the standard of living, instead of that steady and permanent deterioration which Malthus's disciples, rather than Malthus himself, have frequently anticipated. I need not repeat any of the facts or arguments by which I attempted to establish this conclusion. I may, however, point out that in one respect, at least, the economic history of the period since my first paper was written seems to corroborate it. I ventured to anticipate that the census would show a diminished rate of increase of population in this country, basing this anticipation on the diminution in the growth of our trade, as expressed by the exports, imports, and shipping during the past decade. The result has justified this forecast, for the population of the United Kingdom increased only 8·2 per cent., as against 10·8 in the preceding decade, and 8·8 from 1861 to 1871. Taking England and Wales alone, the rate of increase was less than in any decade since the census was instituted, so that it is obvious that the decline cannot be attributed wholly to the great absolute decrease in the population of Ireland. Some cause or causes must be at work affecting the whole country, and checking the rate at which, for the greater part of this century, population has been growing.

[1] *Economic Review*, April, 1891.

What are these causes? British trade has not increased as much as in former periods,[1] and population has shown a corresponding diminution of growth: how has this correspondence, which is similar to that shown by history in all European countries in modern times, been brought about? There are four possible causes of a decreased rate of growth of the population. It may be caused by a diminished birth-rate, by an increased death-rate, by an increase of emigration, or by a decrease of immigration: or by a combination of some or all of these causes.

With regard to the birth-rate, *i.e.* the proportion of births to the total population, the case is quite clear. It has declined from 34·8 in 1876, to 29·3 in 1890; and the decline has been continuous, except that in 1886 it remained at the point, 31·5, which it had reached in 1885. In 1876 it touched the highest point reached since 1864, when the registration figures are first accurately given for the whole United Kingdom; and in four years it declined to a point below that of any preceding year, since which it has fallen lower and lower to the present time. In England and Wales, though the rate is slightly higher than that for the United Kingdom, being 30·2 per 1000 persons living, yet it is the lowest recorded for fifty years. The fall in the birth-rate does not seem to indicate any considerable reduction in the number of births per marriage, for there has also been a fall in the marriage-rate; but the fall in the birth-rate during the period 1881–1890, as compared with 1871–1880, was nearly 2 per cent. more than that in the marriage-rate, so that there must have been some diminution in the number of births to a marriage. The marriage-rate, however, has been recovering since it touched its lowest point in 1886, and it may be anticipated that the birth-rate will show a corresponding increase in the immediate future, unless the slight tendency to a diminution in the number of births per marriage, which has apparently begun, continues and increases to any great extent. For the past decade, however, the statistics tell us that one cause of the

[1] It should be noticed, however, that this is not equivalent to a decrease in the wealth in the country. The net produce of each penny of the income-tax was £1,851,077 in 1881; in 1891 it was £2,200,000.

decline in the growth of the population is a diminished birth-rate, consequent on fewer marriages, and, in a slight degree, on fewer births per marriage.

Turning to the death-rate, we find here an equally clear tendency, but in the opposite direction. If the death-rate of the past decade is to account for the slackening growth of the population, it ought to have increased; but it has declined. The average death-rate per 1000 of the population of the United Kingdom during the period 1881–1890 was nearly 10 per cent. less than the rate for the preceding decade; so that, if this cause had acted by itself, there would have been an increase instead of a decrease in the rate of growth of the population.[1] The decline in the death-rate has been greater than that in the birth-rate and in the marriage-rate. Comparing the two decades, there has been a decline in the marriage-rate of nearly 6·5 per cent., in the birth-rate of 8 per cent., in the death-rate of 9·1 per cent. We must therefore look to the other factors, not only to account for the diminished rate of increase, but to counteract the effect of the diminished death-rate.

Can such a factor be found in emigration? There is no doubt that the number of emigrants from the United Kingdom increased greatly during the period 1881–1890 as compared with the previous decade, whether the total emigration, or that of British and Irish alone, be considered.

EMIGRATION FROM THE UNITED KINGDOM.

	Total.	British and Irish.
1871—1880 ...	2,228,396 ...	1,678,919
1881—1890 ...	3,465,655 ...	2,558,535

In both cases there is an increase of more than 50 per cent.; or, if the absolute numbers be considered, some 1,200,000 more persons left our shores during the last decade than had quitted them during the period 1871–1880, and the excess of emigrants

[1] The inference is not quite certain, as the effect of diminished death-rate upon the growth of population depends on the ages of those whose lives are prolonged. Increased longevity in old age would not tend to increase, it might even diminish, the birth-rate. But the change in England has been the other way, and has tended to increase proportionately the number of those capable of having children. See Longstaff, *Studies in Statistics*, p. 251.

of British and Irish birth alone was more than 870,000 as compared with the previous period. It is interesting to compare these figures with what is called the "natural increase" of the population, *i.e.* the excess of births over deaths in the United Kingdom. during the two periods. The natural increase from 1871 to 1880 was 4,314,366; from 1881 to 1890 it was 4,431,333. But whereas in the earlier decade the emigration only carried off about half this increase, leaving behind more than two million, in the recent period emigration took off more than three-fourths, leaving behind less than a million of the numbers due to the excess of births over deaths. Increased emigration is a marked factor in the decreased rate of growth of the population as shown by the census of 1891.

But emigration must, of course, be considered in connection with the immigration during the same periods. If a certain proportion of those who emigrate return either at once, or within a few years, to England, the population is proportionately not diminished by their temporary absence. It is, unfortunately, impossible to compare the immigration figures of the two decades, for the statistics of immigration were not kept before 1876. If we could safely take the average of the five years 1876 to 1880 as applicable to the whole decade, we might conclude that the immigration from 1881 to 1890 had increased in much the same proportion as the emigration, viz. more than 50 per cent. as compared with the previous period. But it is most probable, judging from the emigration returns[1] for the years 1871–1875, that the immigration figures for those years were a good deal higher than those of the five years following, so that the average would be quite misleading. There is no doubt, however, that the immigration during the recent decade has been of considerably greater volume than during the preceding period. The total amounted to 1,152,970 persons of all nationalities, so that the emigration must be considered as diminished by that amount. This, of course, lessens the influence of emigration on the decreased rate of growth of the

[1] For the relation between emigration and immigration, see Mr. Giffen's *Reports to the Board of Trade on Emigration and Immigration.*

population, and leaves us with the remarkable result that, while our own population and our trade have been slackening their increase, and a greater number of our people have been, in consequence of the falling trade, induced to emigrate, a steadily increasing stream of former inhabitants and of foreigners has been pouring into the country.

In the absence of trustworthy facts as to immigration before 1876, it is impossible to estimate accurately the comparative influence of the four factors we have been considering upon the growth of the population. But some insight into this question may be gained by comparing the proportion between the "natural increase" and the ascertained population in the two decades we are considering. This was 12 per cent. in 1871–1880, 11 per cent. in 1881–1890. The diminished proportion shows that the decrease in the birth-rate had a greater influence than the decrease in the death-rate. In other words, though a great number were kept alive by improved sanitation, etc., a still greater number, as compared with the earlier period, never came into the world at all: while, on the other hand, emigration, powerful though it was, did not keep the population down to a point corresponding to the diminished number of births. And, in any case, whatever the present influence of emigration may be, we cannot expect that the New World can continue to receive an indefinite number of the surplus population of the old; indeed, the increase of immigration seems to show that the process is already being checked. The chief factor, therefore, in the present phenomena of population in the United Kingdom, is the diminished birth-rate; and before long it will probably be practically the only means of maintaining the due equilibrium between population and subsistence.

It thus becomes very important to inquire into the working of this factor. What does it depend upon? What are its effects—moral, social, and physical?

The proportion of births to the total population, which is the meaning of the term "birth-rate," depends upon one or both of two conditions, viz. the number of children born, on the average, to each marriage, and the number of marriages. The number

of marriages, again, is related probably, though not necessarily, to the average marriage-age, and this, of course, affects also the average number of children born to each marriage. The birth-rate having declined in a greater proportion than the marriage-rate, it is clear that the average number of children per marriage has decreased; but the decrease is very small—probably not more than from 4·55 to 4·47. It must, however, be remembered that, according to the best authorities, each marriage mu st, on the average, produce "rather more than four children, if, after deducting those who die before marriageable age, and those who, though marriageable, never marry, the children of all the marriages are to make up the same number of married couples."[1] Therefore the very smallest diminution of such a rate as 4·5 may have an important influence on the growth of population. Still, the decline is so small, that it would seem we must ascribe the greater part of the diminished birth-rate to a decrease in the number of marriages. The doctrines of the Neo-Malthusians have not had so much influence as the various causes which lead men and women either to abstain from marriage altogether, or to postpone it.

Here, then, we come to the main cause which has brought about the decline in the growth of the population in the United Kingdom. Entire abstinence from marriage has an obvious and necessary effect upon population; it is not so obvious that postponement of marriage has the same effect, though, of course, in a much lower degree. This applies to the increased age at marriage both of men and of women. The older men are at the time of marriage, the less will be the average duration of married lives, and the fewer, therefore, the children which result from them. But, of course, the age at marriage of women has a far greater effect than that of men.[2]

[1] Wappäus, *Allg. Bevölkerungsstatistik*, ii. 317. The decrease in the death-rate must affect this reckoning to some extent, as it is based on the high death-rates of former years; but, on the other hand, the number of those who never marry is probably increasing, which would partly counterbalance the decrease in the death-rate.

[2] Cf. Ogle on "Marriage-Rates and Marriage-Ages," in the *Journal of the Statistical Society*, vol. liii., p. 275.

The important fact which statistics reveal is, not that men are now considerably older when they marry than they used to be—though that is the case,—but that the average age of women marrying for the first time has increased from 24·2 in 1873, to 24·81 in 1890. The change is important, not merely because of its extent, which, though not inconsiderable, is not very great, but because it has been steady. For nearly twenty years, with the exception of a slight variation in 1879, there has been "an increasing tendency to defer marriage." Now, this affects the growth of population in a twofold manner. It obviously diminishes the average period during which the married women of England are capable of bearing children; though, as Dr. Ogle has pointed out, it does not proportionately diminish the number of children they are likely to have.[1] It also increases the length of time which elapses between the successive generations; and thus, in Dr. Farr's words, "the numbers living contemporaneously —in other words, the population—is further diminished."[2]

The phenomena of population thus seem to present us, if wealth decreases, with an alternative choice between postponement of marriage and the diminution of the number of children born, on the average, to each marriage. It is well known that an energetic party, the so-called "Neo-Malthusian" party, has for some time past been eagerly advocating the use of artificial methods for limiting the size of families in this country, as they have, for a considerable time, been limited in France; and their case is based, in the first place, on the horrors of the over-population which, they allege, is already upon us; and, in the second place, on the grave evils which they believe to result from the complete disuse, or from the postponement of marriage. I do not propose to discuss here the moral and physical aspect of Neo-Malthusianism, but only the social and economical; and I wish, first, to examine the grounds on which its advocates have been led to promulgate their doctrines, and especially the objections alleged against any postponement of the marriage-age.

[1] L.c., p. 277.

[2] *Vital Statistics*, p. 47. Dr. Ogle does not seem to have made allowance for this in his estimate of the influence of marriage-age on population.

With the danger of over-population I have dealt in the earlier paper already referred to. As a matter of fact, the country is not over-populated, numbers are not increasingly pressing upon subsistence, and, when they show signs of doing so—in other words, when over-population becomes a danger—the two natural checks of diminished marriage-rate and of emigration at once, as we have seen in the last decade, come into operation. But emigration, as I have already pointed out, is probably even now decreasing, or will very soon decrease, in *net* amount; and to the other check, the diminished marriage-rate, the Neo-Malthusians object that it is in itself an evil which entails other evils, and which they wish to prevent by the artificial limitation of families. Of course the postponement of marriage implies some amount of self-restraint, and self-restraint may always be represented as an evil: but this would not be the general opinion, at least among Christians, and we must examine rather the evils which can be defined and tested, and which are said to result from the postponement of the marriage-age.

It is said that, marriage being a normal and healthy state, to postpone it beyond a very early age is to incur the risk, almost the certainty, of impaired health, and of a life unnecessarily shortened. Now, there is no question that, within certain limits, the married have a much better chance of life than the unmarried. I have no recent statistics on the subject at hand, but there is no reason to suppose that Bertillon's statement,[1] made in 1874, that "les époux ont une mortalité bien moindre que les célibataires, et les célibataires eux-mêmes moindre que les veufs," is not still true. The same law, as he does not hesitate to call it, applies also to women, but to a less degree, which is, of course, to be explained by the dangers of childbirth. It may be said that the superiority of the married is due to the "natural selection" of marriage, by which the unfit are, on the whole, rejected, and the strongest and healthiest become husbands and wives. This is probably true, but it does not account for the astonishing superiority of both married and celibate to widows

[1] *La Démographie Figurée de la France*, carte li. Cf. also Farr, *Vital Statistics*, p. 440.

and widowers, at all ages,[1] which seems to prove that, apart from any differences between individuals in either class, marriage is in itself a healthier state than celibacy, and far more healthy than widowhood. But a most significant exception has to be made to this law. It only applies to the ages after twenty. Before the age of twenty, marriage is comparatively fatal to both men and women. Thus, the following tables will show the comparative mortality in France, from 1856 to 1865, of the two classes in both sexes :—

ANNUAL DEATHS PER THOUSAND LIVING—MEN.

Age.	Married.	Unmarried.	Widowers.
18 to 20	50·0	6·9	Over 100
20 to 25	8·9	12·9	49·6
25 to 30	6·2	10·2	21·8
30 to 35	6·8	11·5	14·2

ANNUAL DEATHS PER THOUSAND LIVING—WOMEN.

Age.	Married.	Unmarried.	Widows.
15 to 20	11·9	7·5	12·3
20 to 25	9·9	8·3	23·6
25 to 30	9·0	9·0	16·9
30 to 35	9·4	9·9	15·0

Similar results are given by the returns of Belgium and Holland for the same period, and by the statistics of France in an earlier year, 1853.[2] It is much to be regretted that the Registrar-General's report contains no data of this kind for England, as there are doubtless considerable differences of detail between different countries in regard to this matter; but there is no reason to think that the broad fact is not the same in all. Up to the age of twenty, marriage is more fatal than celibacy, but far more so for men than for women. After twenty it becomes a safer state for men, but remains more fatal for women

[1] This is not quite true of widows, as compared with spinsters, in France, after the age of forty.

[2] Farr, *Vital Statistics*, p. 441.

till twenty-five, when it slowly loses its danger, till, between fifty and fifty-five, the death-rate of married women as compared with unmarried is as 14·1 to 21.

These facts distinctly disprove the more extreme Neo-Malthusian theories, by showing that immature marriage is unnatural and highly dangerous to life: and they also show that, for women, marriage before the age of twenty-five is to be deprecated. But when we turn to the case of men, we want greater preciseness in the figures. It will be noticed that, whereas there is less mortality among married than among single men at all quinquennial periods after twenty, the difference is a growing one. Roughly, from twenty to twenty-five, it is 44 per cent.; from twenty-five to thirty, 64 per cent.; from thirty to thirty-five, 69 per cent. When we compare this increasing superiority with the enormous inferiority of the married under twenty, it seems clear that the balance cannot be redressed all at once, as soon as that age is reached, but must be gradually altering during the five years from twenty to twenty-five. The question of importance for our purpose is, At what age precisely does the balance turn, and marriage become, on the average, the healthier condition for men? This question cannot be answered from the data before us, and it is much to be wished that we could have returns of the comparative mortality of married and unmarried in each year from twenty to twenty-five. I strongly suspect that in the earlier years in that quinquennium, marriage would be found to be still, though at a rapidly decreasing rate, a condition injurious to vitality. At all events, with regard to women alone, it is clear that, from the point of view of health, there is not only no evil, but a positive benefit in the process now going on, by which the marriage-age is gradually increasing. It might, indeed, continue yet further and still be beneficial.

But it is said that late marriages, if not prejudicial to health, must be injurious to morality. Practically the only test we have of this is the number of illegitimate births, though it is obviously imperfect. It would certainly seem *à priori* that illegitimacy must increase the longer marriages are postponed; and there are some facts which go to prove this, so far as some

foreign countries are concerned. Thus Bavaria has the lowest percentage, among European countries, of men marrying under twenty-five, and Bavaria has also the highest proportion of illegitimate births: while Russia, with the highest rate of youthful marriages, has almost the lowest rate of illegitimacy. But a glance at the tables[1] from which these facts are taken will show that no general correspondence between the two sets of phenomena can be discovered, and that differences of religion, custom, national character, etc., so complicate the question that no safe results can be reached. If we take England alone, and compare different periods with each other, which is the soundest method, we find a twofold process which disproves the necessary connection alleged by Neo-Malthusians. For, while the marriage-age, both of men and of women, has been steadily rising in England for almost twenty years, the proportion of illegitimate births to the total number of births has been steadily, though not quite as steadily, falling. It was 54 per 1000 in 1872; in 1890 it was 44 per 1000. If we may argue from this rather narrow basis of induction, in England at least the postponement of marriage does not tend to increase illegitimacy.

If, however, the postponement of marriage became more general, or if it were in any way compulsory, illegitimacy might increase considerably. The various laws which, especially in German States, have artificially prevented marriage, seem to have directly increased illegitimacy.[2] At present, in England those who defer marriage may be assumed to be for the most part the more prudent and self-controlled of the community, and therefore less likely than others to resort to irregular unions. If compulsory celibacy on a large scale became common, the less prudent, thus hindered from marriage, might probably increase the illegitimate birth-rate to an extent which would constitute a public danger. But so long as the postponement of marriage results from the natural operation of economic influences, it is almost certain that illegitimacy would likewise be restrained by the same causes: and of compulsory

[1] Marshall, *Principles of Economics*, i. 242 (1st edit.).

[2] See Roscher, *System der Volkswirthschaft*, i., pp. 633, 667, 669, 670.

celibacy, either from military service or otherwise, there is no immediate prospect in this country.

The evils, then, which it is alleged must result from any considerable increase in the average age of marriage do not seem to be accompanying the process in England. Now let us look, on the other hand, at the phenomena presented by the country in which the Neo-Malthusian doctrines have been carried into practice, for a considerable period, in the most thorough manner. The population of France, it is well known, is increasing far more slowly than that of any other European nation. We need not point to the very remarkable phenomenon of an actual excess of deaths over births, which occurred in 1890,[1] for that may be ascribed to an exceptional increase of mortality, and perhaps to the effect on the birth-rate of the Crimean war and the high mortality of 1854–1855. We have to look to a long period, and whether we take the whole of the present century, or the last twenty years, we find the same fact, a decreasing birth-rate,[2] a decreasing excess of births over deaths, a decreasing rate of growth of population. The result is that, while the average yearly increase per 10,000 inhabitants is in Great Britain 101, in Germany 115, in the United States 260, in France it is only 26. This is the total increase, reckoning immigration as well as excess of births. The "natural increase," *i.e.* the excess of births over deaths, is in all Europe 1·06 per cent. of the population, in England 1·37, in Spain 0·48, while in France, which alone stands below Spain, it is 0·16. "The explanation of this strange increase of sterility in France is that the doctrine of Malthus is put into practice there in a way and to an extent never contemplated by the author."[3] There is, in short, a "growing indisposition of the people to have large families," and methods are almost universally adopted to give practical effect to this indisposition. The cause is, probably, not

[1] Births, 838,059; deaths, 876,505. See *Journal de la Soc. de Statistique de Paris*, xxxii. 351.

[2] But since 1884 the number of births *per marriage* has remained constant, viz. 3. Ibid., p. 352.

[3] The *Times* of January 16, 1883, quoted in *Journal of Statistical Society*, xlvi. 125.

the prevalence of peasant proprietorships, for they prevailed in France before the Revolution, when there was no such artificial limitation of families, but the law of succession and the custom of equal distribution of property among the children.[1]

But whatever the cause may be, the fact is undeniable. France presents us with an object-lesson in Neo-Malthusianism on a large scale. What may we learn from it? Are the evils for which it is advocated as a remedy non-existent in France? Are they decreasing? Are they less prominent than in England? It is alleged, for instance, that this system is a remedy for the evil of deferred marriages. But in France, though many more women under twenty marry than in England, with men under twenty-five it is exactly the contrary.

PERCENTAGE OF MARRIAGES OF MEN UNDER TWENTY-FIVE.

Europe	39·3
England	51·3
France	27·0

PERCENTAGE OF MARRIAGES OF WOMEN UNDER TWENTY.

Europe	24·0
England	14·4
France	21·2[2]

It is, however, more to the purpose to note that, whatever may be the proportions as compared with other countries, in France itself the marriage-age is increasing, and, at the same time, the number of marriages is, naturally, decreasing. Since 1874[3] the marriage-rate has fallen with considerable steadiness from 16·6 to 14·0 in 1890. If Neo-Malthusianism aims at inducing men to marry, it seems to have missed its mark in France.

Take, again, the effect of this system on illegitimacy. While the percentage of illegitimate births to the total is[4] in Europe generally 6·4, and in England 5·3, in France it is 7·4. And this unfavourable proportion is increasing. In 1889 the percentage

[1] The *Times* of January 16, 1883, quoted in *Journal of Statistical Society*, xlvi. 126.

[2] Marshall, *Principles of Economics*, i. 241.

[3] I take 1874 as the year in which the marriage-rate seems to have recovered from the great abnormal disturbance of the Franco-German war.

[4] *I.e.* on the average for the years 1865–1883.

was 8·4, as against 7·5 in 1881, and an average of 7·4 from 1865 to 1883. So much for the last few years. The following table shows the steady increase of illegitimacy during the earlier half of this century.

PERCENTAGE OF ILLEGITIMATE TO TOTAL BIRTHS IN FRANCE.

1801	4·60	1831	7·20
1811	6·09	1857	7·50
1821	7·07	1861–1865	7·56 [1]

At the same time, it may be noted that the number of divorces is increasing enormously, and was, for each of the years 1887–1890, greater than in the years immediately following the establishment of the law of divorce. If Neo-Malthusianism aims at improving morality, it seems, here again, to have missed its mark in France.

A most significant fact with regard to the abnormally low birth-rate in France is, that it does not prevail most in the poorer districts and least in the richer, but rather the contrary. It is the prosperous and well-to-do who refuse to have more than one or two children: "Les départements, où les valeurs successorales représentent une somme très élevées, sont précisément ceux où les familles sont le moins nombreuses: . . . tandis que les départements, où les valeurs successorales sont peu élevées, ont de nombreux enfants." [2] This could be most strikingly illustrated by a comparison between prosperous Normandy and poor Brittany; [3] but it is true, more or less, of the whole of France. Nor, again, is it possible to hold that the slow increase of the French population is due to the poverty of the country as a whole, compared with other European countries. The exact contrary is probably the case. France possesses in herself the greatest natural resources of any European country: she has indeed been recently devastated by war, but she recovered her prosperity with astonishing rapidity, and there is absolutely no economical reason for any retardation in her rate of growth as compared with other nations. Indeed, it is

[1] Roscher, op. cit., p. 633.

[2] Chervin, *Histoire Statistique de la Population Française*, p. 34.

[3] Baudrillart, *Les Populations Agricoles de la France*, p. 466.

noticeable that those who defend the French custom of restricting the size of families, base their arguments on the fact that the French are now literally too few to work their own country, and require the help of foreign labour to a yearly increasing extent. This is brought out in a very interesting and significant article by the eminent economist, M. G. de Molinari,[1] whose Neo-Malthusian sympathies lead him to find a blessing instead of a curse in the decline which is rapidly reducing France to a power inferior to her former equals. M. de Molinari freely acknowledges that the birth-rate in France is unequal to the demand, and points to the "increasing importance of foreign immigration" as a proof of this. In fact, all the eastern and southern borders, and more than the borders, of France, are being more and more invaded by foreigners, Belgians, Germans, Italians, and Spaniards, who are doing the work for which the French themselves are numerically inadequate. In 1857, the foreign inhabitants of France were about 10 to every 1000 of the total population. Since that time they have steadily increased till they are now about 30 per 1000.[2] To a patriotic Frenchman, this fact, one would have thought, must be disturbing; but M. de Molinari rather glories in it. For he regards the question, not from the patriotic, but from the purely economical point of view, and argues that immigration means that Frenchmen are "in easier circumstances" than the inhabitants of the countries from which the immigrants come. It is better, therefore, to receive immigrants than to supply, like England and Germany, the population of other countries by emigration. Not content with this somewhat unimaginative way of looking at the matter, M. de Molinari gravely brings forward the astonishing argument that, as each human being costs so many francs a year to rear, "3500 million francs have been saved by France importing workpeople already grown to a productive age instead of rearing them herself." He seems to look upon men as so many cattle whom it is better to receive gratis from other countries than to

[1] Translated in the *Journal of the Statistical Society*, vol. l., p. 183.

[2] See Donald, in the *Universal Review*, No. 10, p. 262.

breed for one's self. I am not now concerned with the moral and patriotic aspects of this reasoning, though it is a most significant fact that a Frenchman should be so occupied with the thought of mere comfort that he delights in the prospect of the increasing occupation of one of the fairest lands in the world by others than her own citizens. I only quote M. de Molinari to show that, in France, Neo-Malthusianism does not pretend to rest on the argument from poverty. There is wealth in indefinite amount to be produced in France, but there are not enough Frenchmen to produce it. Instead, however, of allowing population to increase by the normal action of natural and economical laws, Neo-Malthusianism, by its artificial restriction of families, disturbs the balance between wealth and numbers. The French nation is being checked, and will soon be actually diminished, not by the pressure of poverty, but by the selfishness of prosperity. France, in fact, supplies a striking confirmation of Malthus's own words, which should have prevented the application of his name to a system which he abhorred.

"I should always particularly reprobate any artificial and unnatural modes of checking population, both on account of their immorality and their tendency to remove a necessary stimulus to industry. If it were possible for each married couple to limit by a wish the number of their children, there is certainly reason to fear that the indolence of the human race would be very greatly increased; *and that neither the population of individual countries, nor of the whole earth, would ever reach its natural and proper extent.*" [1]

A study of the actual facts of population seems therefore to show that, while in civilized nations numbers have never pressed upon subsistence, and the standard of living has never been lowered, this result is brought about in part by emigration, in part by rational restraint adjusting the marriage-age and the marriage-rate to the circumstances of the national prosperity. Emigration will be called an evil by none, except, perhaps by economists of the school of M. de Molinari; and, as to the other

[1] Malthus, *Principles of Population*, iii. 393, ed. 1817. The italics are mine. Cf., also, iii. 82.

factor, we have seen that the postponement of marriage, while it undoubtedly implies self-restraint, does not, so far as experience teaches, entail the social and moral evils with which it has been charged. On the contrary, the opposite system, which has been most unjustly called by the name of Malthus, has failed, if the witness of France may be accepted, to remove the evils against which it is ostensibly directed, and has added one of its own making. Along with the increase of immorality, a growing dislike of marriage, and a rapid multiplication of divorces, the French display an increasing inability to fulfil the duty laid upon every race of mankind, the duty of "subduing the earth" within their own borders. And the cause of this inability is that they have deprived themselves of the stimulus to exertion which the law of human increase affords. The principle of population, rightly understood by the light of historical experience, does not mean that the race is forced by an overwhelming tendency to multiply beyond its means of subsistence; but it does mean that, unless it is checked by artificial methods, population will increase in accordance with the demands made upon it. If the natural relation between the sexual instinct and the increase of the race be severed, as the French have severed it, the interests of the individual and those of the race are dissociated, and we shall see in England, as we are seeing in France, an ominous combination of individual prosperity with national decadence. The economical results of Neo-Malthusianism in France are witnessed in the presence of foreigners in growing numbers to do her work and to reap her gains; of its moral and social results we have seen something, but the worst part lies outside the scope of this paper. It has not yet made much way in England. If it does it will most surely bring with it dangers graver than any which Malthus descried as the results of overpopulation, and unlike them these dangers are not merely foreseen or imagined, but are actually visible by the light of contemporary experience.

ARTHUR LYTTELTON

NOTES AND MEMORANDA.

THE HOUSING OF THE WORKING CLASSES.—The housing of the working classes may be truly said to be subject to no known law. The moral obligation of every Divine ruling is in abeyance, because the Church has never insisted that to such there should be obedience. The enactments of Parliament are derided, because, however really enabling they may be, they are in their application only optional. For the same reason they are, in the majority of cases, defied, because, however paternal, they are only permissive. Legislation in this direction provides for many things beneficent and wise, but so long as Parliament shrinks from compulsion, it enforces nothing. In a word, it leaves everything to the absolute discretion of those who almost always are not discreet. In 1880 Parliament put upon the Statute Book "The Housing of the Working Classes Act Consolidation Act," and "The Housing of the Working Classes Act." In the Consolidation Act was comprehended Cross's Act, Torrens's Act, Lord Shaftesbury's Act, and the Act of 1885—following on the Report of the Royal Commission—which amended, or the rather was said to amend, all these classes of Acts. The Consolidation Act of 1890 may, perhaps, be best described as "the consolidation of the contradictions of compromise." All Acts passed up to 1890 had been permissive, and had been administered disastrously accordingly. Their application had been wholly voluntary, and had, as is perhaps not surprising, in most cases, been despised. As all legislation had thus been hitherto abortive, it is not a little remarkable that the Amendment Act of 1890 was also drafted on the same permissive and inoperative lines. It afforded, it is true, very ample enabling powers. If local authorities, if all municipalities and vestries, had been *compelled* to adopt this Act in all its integrity, it is not too much to say that the slums would have gone; but, inasmuch as every provision is permissive only, it is not in the very least wonderful that, on the contrary, the slums remain.

For example, in one place the Act is adopted according to the maximum of its powers, with every intention to administer its provisions drastically. In another direction, the medical officer of health or the sanitary inspector is afraid of the local authority, and the Act

feebly and hesitatingly administered, becomes, to a practically measureless extent, evaded and abortive. It is, indeed, interpreted down to the minimum of its provisions and powers. It may, therefore, be said, without any exaggeration, that nothing Parliament has yet done has had any decisively practical result whatever for good upon the housing of the working classes. The question is not a popular question. The demoralization of the poor is such that they do not themselves resent their degradation. The owners of slum property make money with the rapidity of coiners, and they certainly will never abate their nefarious profits upon moral grounds. A Minister of Health may invite the country to put a liberal and a generous interpretation upon his Amendment Act, and in pathetic circulars appeal to the feelings of those whose greed is proof against all official pathos whatever ; but if his Act be merely permissive, if it be all in the language of "may," and not of "shall," the landlords who have become rich by the marrow and fatness of the slums will, taught by experience, only laugh. The Housing of the Working Classes Act, 1890 (53 and 54 Vict.), really depends upon clauses 31 and 32, part (2), and it may be said, without any reservation whatever, that as everything is left to the unfettered discretion of the medical officer of health, it is not surprising that the result should be everywhere always different, and almost always disappointing. These are the clauses—

"31. It shall be the duty of the medical officer of health of every district to represent to the local authority of that district any dwelling-house which appears to him to be in a state so dangerous or injurious to health as to be unfit for human habitation.

"32. (1) If in any district any four or more householders living in or near to any street complain in writing to the medical officer of health of that district that any dwelling-house in or near that street is in a condition so dangerous or injurious to health as to be unfit for human habitation, he shall forthwith inspect the same, and transmit to the local authority the said complaint, together with his opinion thereon ; and, if he is of opinion that the dwelling-house is in the condition aforesaid, shall represent the same to the local authority ; but the absence of any such complaint shall not excuse him from inspecting any dwelling-house and making a representation thereon to the local authority.

"(2) If within three months after receiving the said complaint and opinion and representation of the medical officer, the local authority, not being in the administrative county of London, or not being a rural sanitary authority in any other county, declines or neglects to take any proceedings to put this part of this Act in force, the householders who signed such complaint may petition the Local

Government Board for an inquiry, and the said Board shall thereupon direct an inquiry, and may order the local authority to proceed under this part of this Act, and such order shall be binding on the local authority."

What are not the prolific possibilities of evasion here? No "four or more householders living in or near to any street" will ever complain. It is nothing to the purpose to say that they may. According to all experience they won't. The dwellers in a slum are satisfied to be, to their lives' end, saturated with all that can defile. Demoralization has done its deadly work; and they are not ashamed. "Four or more householders near" to such slums can never be got to complain. Their answer is that they don't want to get in a row; and unless a parish can afford to subsidize its informers, no one will be found to make complaint. A dwelling may not, according to the mind of a medical officer of health, be "in a state so dangerous or injurious to health as to be unfit for human habitation;" and yet it may be in all moral respects absolutely fatal to human occupation.

Overcrowding, as it is generally understood, is not *per se* the only active source of danger in the moral and social life of the poor. There may be nothing dangerous or injurious to health where, nevertheless, all purity is grossly invaded. For example, there are, to my knowledge, ten dwellings in a squalid court, harbouring from sixty to seventy souls, that are without the common decencies of existence. The result upon morals of such "homes" is appalling. The men, women, and children who dwell therein lead the lives of devils. The details would not be fit for publication. Nevertheless, the medical officer of health —because, from his point of view, the mortality is not, he declares, excessive—protests that he cannot pronounce such dwellings to be "in a state so dangerous or injurious to health as to be unfit for human habitation." This is in every way a test case, establishing the utter abortiveness of all permissive legislation. These ten dwellings have been inspected and condemned by the Local Government Board. They have been, to all intents and purposes, scheduled as "pitiably bad." Mr. Ritchie's own inspectors reported that only by pulling down every third house, so as to provide the necessary sanitary accommodation for the rest, could these dwellings be made "even tolerably habitable." They, moreover, pointed out how, under certain specified Acts, these proceedings could permissively be taken. But the medical officer of health is in this case the servant of the corporation, subject to dismissal at their caprice and pleasure. Under the discretionary powers, which have no authority at all, fifty thousand families are at this hour in London each living in only one room; and this proportion of overcrowding, which no legislation has ever yet arrested; is, with all the attendant

horrors of immorality, much the same almost everywhere. It may be taken for granted that no Ministry will dare to do what it ought until public opinion ceases only to deplore what all Christian men lament, and makes some definition very plain of what the work of rescue is to be. Compensation to the owners of dwellings that are not fit for human habitation, although now not quite what it was, still blocks the way. Rack-renting landlords, made rich out of the ruins of the slums, are not a bit ashamed of their dead works in these living tombs ; and until there shall be measure for measure, until it is brought home to owners and landlords who deny the dues of common justice, and defy the duties of common decency, that as they have sown so shall they reap ; in a word, until compensation to those who have put themselves outside the pale of all consideration and forbearance is reduced to a minimum, this most disgraceful deadlock will continue. The pulpit and the press must never cease to agitate until laws which are now permissive, and are therefore freely set at nought, are made compulsory ; until all medical officers of health and inspectors of nuisances cease to be the servants of vestries and municipalities, and are made independent of all local authorities, responsible alone to the Government for what they do or leave undone. The appalling evil—moral, social, and physical—of things as they are almost universally throughout England, is defiling bodies, and damning souls. There is a cry for millions to be born again, and the midwives of the slums slay them as they come to the birth. "The better housing of the poor" is on every platform solemnly pronounced to be "the question of the hour." Has the clock stopped ; for it always points to midnight to the minute ? That all men are agreed, and that yet nothing is done, is the inevitable and only logical outcome of permissive legislation. But it is, nevertheless, a reproach of no common order to our Christianity, and a disgrace to our civilization.

Arthur Robins.

The Strike of the Durham Miners.—At the time when a previous note on this subject was written, the strike had lasted three weeks, and the position of affairs was this : the masters sought to reduce wages from 35 per cent. above "standard rates" to 27½, and refused to meet the representatives of the men until they were entrusted with power to settle. The men, by ballot after ballot, had refused to give their representatives the power. The grounds on which the masters sought a reduction were these : if the "standard rates" of 1879 (*i.e.* about 5*s.* 11*d.* a day, in the case of hewers) were fair rates for the masters to pay, with coal at the selling prices which ruled in

1879 ; and if an advance of 35 per cent. beyond this "standard rate" was fair, with coal selling at the higher prices of January, 1891 ; then, with coal at the price it was fetching in April, 1891, wages ought to fall really to 25 per cent. above "standards." The men, on the other hand, declined to admit either the premiss or the inference : they denied that the "standard rates" of 1879 were fair, and they denied that the rise in prices indicated the full increase in profits—*i.e.* they maintained that wages might be raised in proportion to the rise in selling prices and yet not rise in the same proportion as profits. Their contention seems to be that, as prices go up, the cost of production per ton also falls : consequently, under the 1879–1891 arrangement, the men only shared in the profits made by the rise in prices : they got no share in the profits resulting from diminished cost of production. To this the masters' reply is that the wages they have paid have been, not as much as, but more than profits could bear. The truth of this assertion, of course, it is impossible for any one to test who does not know, from the owners' books, what the profits actually have been ; and that knowledge the men could not possibly possess.

Such was the state of affairs when the previous note was written. Between the time of writing and the time of publication in the *Economic Review* of April, 1892 (p. 251), the masters relaxed so far as to meet the men's leaders, though not empowered by the men to negotiate, but they declined to submit to arbitration the whole question (*i.e.* whether there should be any reduction at all) ; indeed, they now demanded 10 per cent. reduction instead of 7½, and they refused to allow the amount of their profits to be ascertained from their books. Concurrently with this increase in the owners' demand, it became obvious that the men's staying power was diminishing, for they now allowed the employees of the Non-Associated Owners to offer to resume work. But the Non-Associated Owners intimated that they, too, now required 10 per cent. reduction. Work was not resumed.

The history of the strike since the publication of the last number of this *Review* may now be given. The men continued to withhold from their leaders (and have never since given to them) power to negotiate for them ; but the delegates of the lodges took upon themselves to authorize them. Armed with this authority, the men's leaders met the masters on April 25th, and offered to accept 5 per cent. reduction. The owners refused the offer, and increased their previous demand from 10 per cent. to 13½. This was refused by the men's leaders, and their refusal was confirmed by overwhelming majorities when the men subsequently balloted on the question. The strike dragged on, and the distress and suffering became widespread and intense.

On May 13th, the men's representatives again approached the masters, offering to accept 7½ per cent. reduction, being the whole of the masters' demand when the strike began. The masters rejected the offer, and claimed that, on the selling-prices (which had just been ascertained), they were entitled, not merely to 13½, but to 15 per cent. reduction. Again the strike dragged on, and the sufferings of hundreds of thousands of people were prolonged.

On May 22nd, the men's united committees again made an attempt to satisfy the masters, and proposed to accept 10 per cent. reduction. Again the masters refused to take less than 13½ per cent.; and, when the men offered to submit the question to open arbitration, declined the offer, on the ground that the men also had previously refused arbitration. The strike went on another weary week.

By this time, public opinion, which at first had been strongly in favour of the masters, had gone completely round. The men had conceded the utmost that the masters themselves had claimed previous to the strike, and more than the masters at the beginning of the strike were willing to accept. Nearly 100,000 colliers were off work, most having several persons dependent on them, and the number of men in allied industries who had been thrown out of work was also enormous. That the torture of slow starvation should be inflicted on several hundred thousand people, in order that the profits of a small group of capitalists might be kept up, offended the conscience of the community. Yet the work of starvation would have gone on unchecked, and the community would have suffered the moral degradation of acquiescing in what its conscience condemned, if it had not been for one man—the Bishop of Durham.

On May 25th, his Lordship addressed the following letter to the leaders on both sides :—

"My Dear Sir,

"The time seems to have come when one who has necessarily watched the course of the present disastrous strike with deep and dispassionate anxiety should express an opinion on the facts which do not require any technical knowledge for their interpretation.

"There appears to be an agreement between both parties as to the substantial reduction in wages which is required, and as to the method to be employed for the settlement of future differences as to wages. I plead most earnestly that this general agreement should at once be carried into effect.

"In accordance with this view, the last resolution adopted by the owners on Saturday suggests a just and honourable arrangement, which

would, I believe, be of lasting benefit to the great industries of the county.

"I would therefore propose that the pits should be opened with the least possible delay on two conditions :—

"1. That there should be an immediate reduction of wages of 10 per cent.

"2. That the question of any further reduction should be referred to a Wages Board, to be established with full powers to deal with this and with all future differences as to the increase or reduction of wages.

"Such a Board would, I feel confident, call out and deepen, by frank conference, that feeling of trust and sympathy between masters and men through which alone stable concord can be maintained in the face of an apparent (though not real) conflict of material interests.

"Even a day's delay at the present time is of serious moment, and I venture to add that if the main principle of this arrangement is acceptable, I shall be glad to welcome the representatives of the Owners' Association and of the Federation Board at Auckland on Saturday morning to discuss details.

"Believe me to be yours most faithfully,

"B. F. Dunelm.

"Auckland Castle, Bishop Auckland, May 25, 1892."

His Lordship's offer was accepted by both sides—the men, however, explaining that they did not thereby admit that the "substantial reduction in wages required" was just or honourable ; the masters explaining that they were actuated solely by compassion. And on June 1st, at Auckland Castle, the masters, at a conference with the men, accepted a 10 per cent. reduction, the following being the official report :—

"In compliance with the invitation of the Bishop of Durham, the Wages Committee of the Durham Coal-owners' Association yesterday proceeded to Bishop Auckland, and there met the Federation Board, the Bishop presiding. The result of this meeting is shown in the following resolution :—

"The Federation Board having offered explanations as to the establishment of a system of conciliation in the future, which the Bishop of Durham recommends the owners to accept as satisfactory, and the Bishop having strongly appealed to the owners, 'not on the ground of any judgment on his part of the reasonableness or otherwise of the owners' claim of 13½ per cent., but solely on the ground of consideration for the impoverished condition of the men and of the generally prevailing distress, to re-open the pits at a present reduction of 10 per cent.

(that is from 35 to 25 above standards), with the full expectation that wages will hereafter be amicably settled by the system of conciliation contemplated,' the owners yield to the Bishop's appeal on these grounds and assent thereto.

"Arrangements were also made for a meeting in Newcastle, on Friday, between the committee and the Federation Board to discuss arrangements to be made for re-starting the pits."

The strike had lasted three months.

The Durham miner's strike of 1892 will always be memorable in the history of industry. It has been the occasion for the realization, through a Bishop of the Church of England, of the principle that industrial like actual warfare has limits which humanity will not suffer to be transgressed. In it there has been set an actual, practical example of how political economy may be "moralized"—when zeal is united with judgment in the mediator between master and man. It has served to demonstrate the fact that society has not only an interest in terminating a strike, but also the power so to do—when its natural leaders are equal to great emergencies. It has strikingly exemplified the truth that there is no such thing as a "purely economic question," that every economic is a social question, and that social questions are only to be solved on Christian principles.

The best thing about a strike is its end; and, appropriately enough, in the following letter to the clergy, the Bishop of Durham once more gives expression to the feeling of every heart in his diocese :—

"Auckland Castle, June 2, 1892.

"Reverend and Dear Brother,

"I shall, I am sure, give expression to your own desire in requesting you to ask your parishioners to offer their humble and hearty thanks to God for our happy deliverance from the strife by which the diocese has been long afflicted, and to pray that we may all hereafter be enabled, through His help, to set forward more effectually than before the cause of brotherhood and love, by which we are taught that Christians should be known.

"Yours most faithfully,

"B. F. Dunelm."

The Church Army Labour Homes.—The work of the Church Army—founded, as will be remembered, by the Rev. W. Carlile, in 1883—is carried on without much beating of drums and sounding of timbrels, but it is none the less effective, wide-spreading, and comprehensive; and it touches the masses in many different ways. The necessity for some sound method of dealing with the very poor and

criminal classes, which would admit of an influence for good being brought to bear upon those desiring to reform, induced Mr. Carlile and his coadjutors to open, in December, 1889, a "Church Army Labour Home," in Crawford Street, Edgware Road: thus setting an example which "General" Booth was not slow to follow, by opening the Salvation Army Shelters.

The experiment then begun proved so successful that other Homes were speedily opened in London and several large provincial cities, and at this date the total number has reached twelve, five of which are in London and the remainder in the provinces.

With the object of obtaining some insight into their management and methods of working, the writer recently inspected two of the Homes in London, and supplemented the inspection by a visit to the "Head-quarters," at 128 and 130, Edgware Road, W.

The basis of the Labour Home scheme is the regeneration of the fallen but reclaimable masses by direct religious influence brought to bear upon the individual. Reform will follow conversion to God always, it seldom precedes it. Acting on this principle, the first Home was opened under the charge of a Church Army captain and his wife, and, in order that the associations of home should be retained as much as possible, they were known as the "father and mother."

It was at once seen that, to avoid encouraging the thriftless and loafers, some system of selection must be applied to those wishing for admission to the Home; and, further, that a definite form of discipline and help would be necessary to bring about the regeneration of these men. So, for the present, the Church Army Labour Homes only exist for those who desire really to make a fresh start in life. The cases are obtained in various ways, a large proportion being drawn from the casual wards of the workhouses. Others are recommended by officers of the Church Army—who, by the way, are themselves working-men, —others, again, by prison chaplains, relieving officers, the local secretary of the Charity Organization Society, or other responsible persons. Preference is given to those under forty years of age, and without physical infirmity. Applicants are questioned as to their former mode of life, and are required to give the names and addresses of referees. However low a man may have fallen, he is admitted if showing a desire to reform. On being formally accepted he signs the following statement:—

"I hereby undertake to obey cheerfully all the rules of the Church Army Labour Home, and I enter it with the determination to make an honest endeavour to live a truly Christian life according to the principles of the Church of England. I agree also to be a total abstainer. In

the event of my leaving the Home in less than two months' time, without the consent of the captain, or an approved situation; or being dismissed for drunkenness, idleness, or any other breach of the rules: I shall expect to be discharged at a moment's notice, and to forego any moneys which may have been placed to my credit. I undertake to do my best during the second month to obtain work, and if I stay on for a third month, to be satisfied with half-pay, and if for a fourth month, with no pay whatever, in excess of board, washing, and lodgings. I will do my best to obtain a situation for myself, as well as for the other men, after leaving the Home, and to help by money to support the Labour Homes, if my means eventually permit."

The rules are simple and easy to obey, mainly regulating the hours of labour, recreation, etc. Drunkenness, as indicated in the declaration, is followed by expulsion.

The forms of help necessary to bring about reformation are held to be (1) cleanliness, (2) hard work, (3) total abstinence, and (4) religion. Work involves fair wages; temperance and religion involve personal influence.

(1) Cleanliness is insured by a hot-bath immediately upon admission to the home, and a regular weekly one afterwards. The clothing of the newly-admitted resident is also thoroughly fumigated. If in need, he is supplied with clothing from the stores, which he pays for afterwards at the market price of second- or third-hand things.

(2) Hard work, an excellent test of the sincerity of the applicant, is at once prescribed. It usually takes the form of wood-chopping, window-cleaning, mat-making, etc. The men are paid for "piece-work," and can generally manage to earn from nine to twelve shillings a week. Six shillings of this is deducted for cost of board and lodging, one shilling is allowed as pocket-money, and the remainder is banked at head-quarters, and is returned with interest, at the rate of ten per cent., when the man leaves the Home. Or it may be sent to the wife should the man be married; or expended in clothing.

If a man is physically incapable of earning his "board and lodging" at first, his subsequent wages are not reduced in any way, provided that he is seen to be doing his best.

(3) Total abstinence, it will be readily understood, is essential, for the majority of the men trace their downfall to the influence of drink.

(4) Religion. By daily services and regular stated intervals for prayer, and by quiet personal influence, the men are taught to turn to Him who can alone save them and strengthen them to resist their besetting sins.

An inmate's day is made up as follows :—He rises at 6 a.m., and at 6.15 begins work, generally in the wood-shed. At 7.45 comes a second toilet and bed-making, followed by prayers and breakfast, resuming work at 8.45. The dinner-hour is from 1 to 2 p.m. ; work again from 2 till 6 ; tea at 6.15.

On three evenings a week, at 8 o'clock, all are expected to be present at an Evangelistic meeting, held in the Mission Hall, attached or near to the Labour Home. Supper at 9.45 is followed by prayers and bed, all lights being put out at 11 p.m. On three evenings a week he is allowed out until 10 p.m., and, after the first month, he also is allowed to go out during the daytime in search of work.

The Homes inspected were in Whitechapel Road, E., and Seymour Place, W. The general arrangement of the interior is the same in each case.

On entering the Whitechapel Home, we found ourselves in a long, low-ceiled room, which is used during the daytime for wood-chopping purposes, and in the evening for Evangelistic meetings. Some seven or eight men were busily occupied in chopping, and packing the wood into bundles. For this work the rate of payment is tenpence per hundred bundles. In the absence of the captain, a pleasant-faced, obliging foreman conducted us over the building. The foreman is appointed from the ranks of the men themselves, and is therefore sympathetic and kind in his bearing towards them. On the floor above the wood-chopping room, we found a solitary mat-maker, in a room used for smoking and reading purposes by the men after the day's work. The bedrooms contained accommodation for twenty-five, each man having a separate iron folding bedstead with the necessary blankets, etc. Each man makes his own bed.

A portion of one of the rooms is partitioned off to form a tiny chapel, wherein the daily services are held. An altar is erected, and the men who desire to do so communicate. The number admitted to each Home is limited to twenty-five, in order that the element of personal influence may be brought to bear upon each one.

The cases include sons of clergymen, schoolmasters, clerks, etc., as well as men of the ordinary day-labourer class.

Here are statistics of a hundred cases, of which seventy-three were received on their own application, after selection by the working-men's Commitee of the Church Army ; twenty-seven recommended by parochial clergy, the Charity Organization Society, prison chaplains, etc.

They were afterwards tabulated as follows :—

Obtained situations	37
Went to look for work, but did not return	8
Restored to friends	3
Placed in Convalescent Homes	10
Promising men still in the Home	20
Dismissed for drunkenness, idleness, and theft	22
	100

These figures fairly prove the contention that more than 50 per cent. of the "fallen masses" are reclaimable.

A development of the Labour Homes is a Boarding House for those men who have obtained situations, but still wish to be in touch with the influence of the Home "workers." It is repeatedly found that men wish to remain in the Home itself after obtaining work. That being impossible, the Boarding House idea has been adopted with great success.

Efforts are made to keep in correspondence with men who have left the Homes, in order that they may be advised at critical periods, and strengthened by the knowledge that they are not altogether friendless and forgotten.

The work of the Church Army Labour Home is much appreciated by the Boards of Guardians in contact therewith, and it has an important bearing upon the much-discussed question of our present poor-law system.

It is a work worthy of much deeper consideration than the writer has been able to give to it, and appeals to all who really desire to help the Church of England in its warfare against the vice, degradation, and wretchedness of the dark side of urban life.

H. Otto Thomas.

The Charity Organization Society.—The annual report for 1892 brings home to us the fact that the Society has still to act on the defensive. It falls into two parts: first, for the public, a justification of the Society's aims, and methods in attaining them; and, secondly, for members and friends, a more detailed statement of the work actually done in the past twelvemonth. It would be difficult to express the objects of the Society better or more pithily than in the opening statement: "When, as regards individuals, it has sifted every case submitted to it, settled the principle on which it can be rightly helped, referred it, with due advice, to the proper source of relief, and finally, if required, provided agents for administering that relief effectively; as regards the districts in which it operates, when it has established a complete centre of charitable work and information, and brought all

the agencies within the district, not omitting the poor-law, into full co-operation with one another and with itself,"—then it will have done the work it was designed to do by its founders. Definite charges, such as that it inquires too much, spends its income in salaries, is cold-blooded and critical, are met and refuted in detail. It is a hopeful sign that the argument on both sides is growing more temperate and more logical; there would seem to be less invective in the attacks from outside, and a greater toleration of misunderstanding on the part of the defenders.

But readers of the *Review* are more commonly to be classed among the friends to whom the second part of the report is addressed. From this we learn (1) that the very severe winter of 1890–91 seemed to cause less distress, and was better met by the poor than previous visitations of a like kind—an experience which we imagine could be paralleled all over England; (2) that the influenza has developed the convalescent work, and helped to make the organization of such help far more effective; (3) that the need is felt of more workers who will give themselves heart and soul to carrying out charity-organization principles into action, and that the sympathetic assistance of workers on somewhat different lines would be welcome; (4) that the committee in Stepney has "recovered from a sharp internal crisis, and continues a vigorous and beneficent existence."

Turning to the work of the year, we see that the society has been fertile in publications during the past twelvemonth. We notice especially a criticism of General Booth's schemes, a pamphlet on *Old Age Pensions and Pauperism*, and a report on the existing means of insurance and saving. The reports issued on institutions are stationary —1087 as against 1066 last year; but those on individual cases have risen from 388 to 1114, a striking proof of the growing tendency on the part of the charitable public to take the advice of the Society before relieving. Lastly, convalescent cases have risen from 1605 to 1857. On the whole, we find evidence here of good work, done in a hopeful spirit, and with a calm indifference to popularity and public outcry.

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

The *Betting and Loans (Infants) Act*, 1892 (55 Vict., chap. 4, 4to, 3 pp., ½*d.*), is an instance of legislation for the benefit of the wealthier class of the community. It is chiefly intended to put an end to the practice of money-lenders and commission agents sending letters to schoolboys and undergraduates, offering to lend them money or to make bets for them. Persons indulging in these practices are now made liable to a fine not exceeding £100, and to imprisonment with hard labour for three months. The Act also provides that a loan to an infant, which is void in law, shall no longer be made recoverable by the fact of the person who has contracted it having agreed to repay it after he came of age.

The long-delayed *Report from the Select Committee on Town Holdings* (House of Commons Paper, No. 214, fol., xxxvii. pp., 4*d.*) has at length been issued. The original Committee, it will be remembered, presented its report on the general question in 1890, and the *Report* now before us is that of a new Committee which was then appointed to inquire "into the question of imposing a direct assessment on the owners of ground rents and on the owners of increased values imparted to land by building operations or other improvements." The *Report* begins by pointing out that the terms of the reference practically obliged the Committee to consider the whole question of the incidence of local taxation and the probable effect of various proposals for altering the present system. It then proceeds to show that ground rents "do not constitute a fresh matter of assessment hitherto untouched, as is often supposed," or, in other words, that it would be obviously improper to rate occupiers as at present on the full value of the property, and at the same time levy a tax on ground rents; if this were done, different amounts would be paid in respect of exactly similar and adjoining properties, if the one was let and the other occupied by its owner. Next, the Committee examine the Londoner's notion that rates have risen enormously in London and all large towns, and find that the increase in the last twenty years has not

been very great in London and the majority of the large towns, while in Bristol, Leicester, Manchester, Newcastle, Portsmouth, and West Ham there has been a decrease. As to the real incidence of rates the conclusion of the Committee is, as given in the summary, somewhat invertebrate. "The real, as opposed to the apparent, incidence of local taxation in towns falls partly upon the owner of the land, partly upon the house owner, and partly upon the occupier. The proportions in which the burthen is distributed are difficult to determine, and depend upon a variety of circumstances, among which the demand for and supply of houses is the most important." But in the body of the *Report* the Committee's theory seems to be that none of the incidence of rates existing and contemplated at the beginning of a tenancy is on the tenant, because, "as a general rule, . . . if a tenant is prepared to pay a given sum in rent, and also to undertake the liability of so much in rates, he would be able and willing, if exempted from the payment of rates, to pay a sum equal to the rent plus the rates." It is apparently only in the case of readjustments between sitting tenants and their landlords that, in the opinion of the Committee, the incidence of rates becomes determined by "a variety of circumstances." Having settled or left undetermined the incidence of local taxation, the Committee naturally comes to the consideration of the question who benefits by the expenditure. Here, at any rate in the summary, it arrives at a truly amazing conclusion: "Owners of ground rents, with or without reversions, derive no appreciable benefit from local public expenditure for current purposes." The Committee appears to have failed to notice that the question of what may be called the incidence of the benefits received from local taxation is, at any rate in great measure, merely the converse of the question of the incidence of the payments made towards local taxation. When, at the beginning of a tenancy, "allowance is made on account of the existing and contemplated rates," allowance must also be made on account of the existing and contemplated benefits received from the expenditure of these rates; if it is true, as the Committee says, that "to the extent of such allowance the owner of the ground rent indirectly bears the burden of rates in the sense that if this burden were remitted he would be able to obtain a ground rent increased by the amount so allowed for," it must be equally true that he indirectly obtains the benefit of rates in the sense that, if these benefits did not exist, he would obtain a ground rent less by the amount of their value to the tenant.

With regard to expenditure upon permanent improvements, the Committee seems to admit that, in so far as this expenditure was not decided on or contemplated at the beginning of existing tenancies, the

occupiers and lessees are making the freeholders a free gift, but it thinks the gift is a small one, because much of the expenditure was foreseen, and few improvements are permanent. Lessees, the Committee adds, are not to be pitied, for, if their property has been depreciated by unforeseen rates, it has also been raised in value by other unforeseen circumstances. The proposals "for a distinct annual assessment on reversions according to their present values" and for the separate assessment of ground and building are condemned as impracticable. Municipal death duties are apparently regarded with some favour, but are declared to be outside the terms of the reference to the Committee. The proposal to lay rates on vacant building land is rejected, chiefly on the ground that "an annual tax upon capital is at variance with the axioms of taxation generally accepted since the time of Adam Smith, viz. that a taxpayer should contribute in proportion to the revenue he enjoys, and that a tax ought to be levied at the time and in the manner most convenient to the contributor." The Committee also appears to think that if vacant land were taxed on its capital value the owners would in some way be taxed twice over in respect of the same income.

In conclusion, the Committee decides that "it is desirable that the real and the apparent incidence of local taxation should be as far as possible identical, and no one should be able to free himself by contract from the direct liability to any impost which the Legislature may lay upon him." It therefore recommends that, "under all future contracts, local rates shall be equally divided between occupiers and owners, and that each owner should have the right of making a proportionate deduction from his superior owner." The meaning of this is that all rates should continue to be collected from the occupiers, but that whenever a tenant's rent is equal to or greater than the rateable value of the property, he should be allowed to deduct half the rates from his rent, and when his rent is less than the rateable value, he should be allowed to deduct from it a sum equal to half what the rates would amount to on the sum he pays in rent. For example, if a freeholder lets a site to a builder at a ground rent of £10, and the builder builds a house and lets it at a rent of £100, and the rateable value is £90 and the rates four shillings in the pound, the occupier will pay the whole £18 to the collector, and deduct £9 from his rent, while the builder will deduct two shillings in the pound, *i.e.* £1, from his own ground rent. The adoption of this system must be accompanied, in the opinion of the Committee, by provision for "the representation of owners in local bodies administering rates." The question what form this representation should take, and how it should be reconciled with

the prevalent principle of "one man one vote," the Committee conveniently find to be outside the terms of the reference.

The *Report* furnishes another example of the well-known rule that committees should be appointed to collect and elucidate facts, and not to decide difficult questions of economic theory and to make practical suggestions. The general theory of the Committee as to the incidence of rates is weak, colourless, and badly expressed, and its opinion on the taxation of capital is insular in the extreme. Its practical recommendation has been before the country for more than twenty years, and has not hitherto been adopted because no one desires the change proposed. The dissatisfaction with the present system is chiefly the result of the fact that large blocks of London land are held by a few individuals, several of whom are made conspicuous by being decorated with the title supposed to be peculiarly appropriate to the owners of great wealth, while rent and rates are largely paid by persons with only moderate incomes. To allay this dissatisfaction, it is useless to propose a scheme for making rents fluctuate with the rise and fall of rates, without giving tenants any corresponding benefit. If, as is quite possible, rates should in the future fall rather than rise, tenants would positively lose by the change.

The *Special Report from the Select Committee on Railway Servants (hours of labour), together with the proceedings of the committee, minutes of evidence, and appendix* (House of Lords Paper, No. (98), fol., ix., 112 pp., 1*s.* 1½*d.*), is chiefly concerned with the dismissal of John Hood from the service of the Cambrian Railway in consequence of the evidence which he had given before the committee. The debate on the subject in the House of Commons was far from revealing the squalid nature of the whole story as it is told in the minutes of evidence. No less discreditable to human nature are the other cases of intimidation, real or imaginary, investigated by the committee. In one of them the committee appear to have thought that a railway servant, after giving evidence, deliberately procured his own dismissal in order to qualify for a gift of £50 from his union.

The general *Report* from the same committee (House of Commons Paper, No. 246, fol., x. pp. 1½*d.*) begins by dividing persons employed by railway companies into two classes: (1) those who are not directly concerned with working the traffic, such as the clerical staff and mechanics; and (2) those who work the traffic, and on whose conduct the safety of the trains is dependent. With the first class the committee decide that the House of Commons did not intend them to meddle. With regard to the other class, they examined the secretaries of three great railway servants' unions, besides a large number of railway

servants, on the one side, and "general managers and other officials" on the other side. It is interesting to observe, by the way, that in this inquiry "capital" was not represented at all, the controversy being carried on between the upper and lower employés of the companies. Where exactly a man ceases to be a "servant" and becomes an "official" does not appear. The committee "are of opinion that, although a general charge of systematic overwork against all railways could certainly not be maintained, and that although some of the companies might safely be intrusted to do all that is necessary in the matter without any interference from the Government or from Parliament, yet there is no sufficient reason for the great differences between different companies which are disclosed in the evidence, and that, in spite of the improvement which is admitted by all the witnesses, and which may be largely due to the inquiry of your committee, it appears from the evidence far more clearly than from the parliamentary returns there are still too many cases in which excessive hours are habitually worked without adequate reason, and that no sufficient effort has been made by the companies generally to deal earnestly and thoroughly with the matter." The committee naturally do not see their way to the prevention of exceptionally long hours caused by accidents, fogs, freezing of canals, and such-like causes. According to the North Western manager, 200 trained men over and above the largest staff required at any other time could not have obviated the delays at Crewe station alone on the four foggy days of last December. Many cases of long hours, the committee recognize, are far from being cases of overwork. The signal-box at some quiet country junction or level crossing would be an excellent situation for a literary man who wished to carry on his work free from disquieting and irregular interruptions, and the guards of excursion trains have been seen to enjoy themselves during their stay at the sea-side in spite of the fact that they are on duty and paid for the whole time. As regards the railways servants' own wishes, it must be remembered that their desire often "is not so much to limit the hours actually worked as to fix the lowest possible terms for the day's work, everything beyond it being paid for as overtime at a higher rate." The cases of excessively long hours which are preventable and should be prevented arise almost entirely either from simply blundering mismanagement, as in the cases of the pauper lines the Cambrian and the Midland and South-Western Junction, or from a clumsy system of changing the reliefs which causes excessive hours to recur every week or fortnight. For the prevention of these cases the committee recommend that the Board of Trade should make its present censorship of the companies still more strict. The companies at present

make periodical returns of the number of cases in which signalmen, drivers, firemen, and guards have been employed for more than twelve hours, and the committee suggest that, when a company makes an exceptionally bad return, the Board of Trade should call its attention to the matter, and publish the correspondence. In case this may not always have the desired result, it is further recommended that the Board of Trade should be empowered by Parliament to call upon a recalcitrant company to "submit to them within a specified period a satisfactory schedule of booked time" for its servants, and "if the company neglected to furnish such a schedule within such period, or failed at any time to enforce it, to bring the matter before the Railway Commissioners, who should have power to order the company to submit and enforce such a schedule on their line, under penalty of a fine of £20 per day for every day during which they refused or neglected to comply with such order, or evaded it by making an unreasonable difference between booked and actual time or otherwise."

The accounts of *Government Insurances and Annuities* (House of Commons Reports, No. 128, fol., 5 pp., 1*d.*) show a slight increase in the infinitesimal business transacted by the Post Office. In 1890, 948 immediate annuities amounting to £21,955 per annum, and 116 deferred annuities amounting to £2527, were sold; in 1891 the immediate annuities were 968, and amounted to £23,673 per annum, and the number of deferred annuities rose to 142, though their amount fell to £2182. The number of insurances effected rose from 468 in the course of 1890 to 529 in 1891, and the amount insured for was £28,929, as against £25,466. The total of immediate annuities now in existence is £231,010 per annum, and the total of deferred annuities, £24,396.

The returns of the *Income Tax under Schedules A, B, and D* (House of Commons Paper, No. 39, fol., 7 pp., 1*d.*) enable a comparison to be made of the amounts of income assessed in each county during a series of years. Some curious changes are shown. The disproportionate growth of the amount assessed under schedule D in Middlesex is due chiefly to the fact that companies pay their shareholders' income tax at their head-office; but it is not easy for any one unacquainted with local circumstances to say why, for example, the amount assessed in Cumberland should have fallen from £1,645,816 in 1884–5 to £1,347,438 in 1889–90; nor why in the same period the amount assessed in Oxfordshire should have risen from £748,184 to £838,999. The want of correspondence between variations in population and variations in the amount assessed is somewhat remarkable.

The *Statistical Tables relating to Emigration and Immigration from and into the United Kingdom in the year* 1891 (House of Commons Paper, No. 134, fol., 55 pp., 5½*d.*) have necessarily become a record of the total inflow and outflow of travellers. To distinguish in each individual case between the traveller who comes to stay and the traveller who intends to go away again, and between the traveller who goes away for good and the traveller who intends to return, would not be of much use in these days, when a man has been known to return from New Zealand in the same ship, after going out with the full intention of settling. And if it were useful, it would not be possible. The number of travellers is too great to be dealt with in this way. In 1891 the total inflow, excluding crews of ships, is reckoned to have been 651,843, and the total outflow 760,644. The inflow from Europe and those parts of Asia and Africa which border on the Mediterranean is 504,445, and the outflow 418,003, which leaves an excess of incomers amounting to 86,442. The outflow to other parts of the world is 342,641, and the inflow 147,398, which gives an excess of outflow of 195,243. Mr. Giffen sees no reason to suppose that the number of British subjects proceeding to Europe and the Mediterranean is appreciably different from the number arriving therefrom, and consequently reckons the net inflow of foreigners from Europe at the same figure as the net inflow of all persons from Europe, *i.e.* 86,442. Now, the nationalities of persons departing to and arriving from places outside Europe and the Mediterranean are taken, and it appears the number of foreigners departing was 112,275, and the number arriving 47,197 ; so that while, in our account with Europe, we have a gain of 86,442 foreigners, in our account with the trans-oceanic countries we have a loss of 65,078. We thus arrive at a net gain of 21,364. Considering that the number of births in the United Kingdom for the same period was 869,937, this increment of foreigners does not seem likely to produce any important effect upon the race. In quantity it is quite insignificant. If scattered equably over the whole country, it would mean the arrival of one foreigner among every eighteen hundred of the existing population. But Mr. Giffen shows, by means of the alien lists, which account for alien deck passengers arriving at Dover and Folkestone and for all passengers arriving at other ports, and distinguish between passengers having through tickets and others, that about 10,000 of the 21,364 were probably Russian or Polish Jews. It is inconvenient to the country to receive even 10,000 of this class, and it is highly undesirable, for the sake of the Russian Jews themselves, that the Russian Government should be encouraged to think that it is very easy to get rid of them.

The paper entitled *Hours of Adult Labour* (*Colonies*) (House of Commons Paper, No. 115, fol., 69 pp., 7*d.*), issued in April, 1892, is a return moved for by Mr. Bradlaugh on December 1, 1890, "showing any laws or regulations affecting the hours of adult labour in each of the colonies, also showing in each colony the hours worked per day and wages paid in various industries so far as the same can be ascertained." The Colonial Office managed to prepare a circular despatch to the various governors, asking for the information in nineteen days; but it took the Governor of Tasmania eleven months to discover from his premier that no statistics relating to hours of labour had been collected in his colony. After supplementing this useful information by some of a less negative character obtained from the Agent-General for Tasmania, in London, the Colonial Office was at length able to produce the return. It contains a considerable collection of facts and statistics, some of which have very little connection with the questions asked. Legal restrictions on the hours of adult labour appear to be somewhat rarer than is commonly supposed.

The Foreign Office *Report on Legislation for the Protection of Women and Children employed in Factories, etc.* (Command Paper, 6551—12, 8vo, 13 pp., 1*d.*), and *Report on the Effects of the Law of* 1889 *for the Protection of Women and Children engaged in Factory and other Work* (Command Paper, 6551—15, 8vo, 29 pp., 2*d.*), belong to the series of papers procured by the Foreign Office for the use of the Labour Commission, some of which were noticed in the last number of this *Review*. The law of 1889 forbade absolutely the employment of children under twelve in manufacturing industry, and introduced many restrictions on the employment of women and boys and girls between twelve and sixteen. Work for these "protected persons" must, as a rule, be between 5 a.m. and 7 p.m. on week-days only, and not exceed eleven hours. This has led in many quarters to a considerable reduction of working time, which has not been accompanied by any diminution of production.

Mr. Egerton's *Report on the French Budget for* 1892 (Command Paper 6550—97, 8vo, 9 pp., 1*d.*) shows that the French Government is at last nearly able to show an equilibrium between receipts and expenditure. It is noteworthy that the military and naval expenditure for 1892 is put down at £34,566,034, as against £35,411,712 in 1891.

EDWIN CANNAN.

REVIEWS.

ENGLAND'S INDUSTRIAL AND COMMERCIAL SUPREMACY. By the late James E. Thorold Rogers, edited by his son, Arthur G. L. Rogers. [464 pp. 8vo. 16*s*. Unwin. London, 1892.]

It is on the whole to be regretted that this book was ever published. The student of Professor Rogers' great volumes of *Agriculture and Prices* was often led to regret that the chief conclusions of the author were not to be had in a more accessible form. But that defect has within the last few years been more than amply supplied. *Six Centuries of Work and Wages* gave us the gist of the larger volumes, and the *Economic Interpretation of History* added much on the subject of foreign trade and of currency which might have found an appropriate place in the concluding volumes of the great original work. But Professor Rogers' style is far too lacking in literary qualities to make the multiplication of such books desirable. However valuable the matter contained in this volume, we have had it all before, and although we may agree with the editor in thinking that had these lectures been given "in some industrial centre, hundreds of workmen would have paid to listen to them," yet it can scarcely be denied that they make very tedious reading. Certainly every lecture has a definite heading, but the method of treatment is too miscellaneous, the divisions of the matter too little obvious to make the perusal easy to the amateur in history or economics, while the student will merely find the same facts arrayed before him with which the Professor's previous works have made him well acquainted, without any attempt whatsoever to meet and answer the many criticisms to which almost every one of Professor Rogers' statements have been subjected. These shortcomings are partly due to the original lectures themselves, partly to a too faithful discharge of filial duty on the part of the editor. As to the lectures, it was quite impossible for the Professor to keep his strong personality out of his work. His labours had been so indefatigable and at the same time so lonely that he not unnaturally laid great stress on his personal share in the promotion of economic knowledge. This may be allowable in a lecture where it is a distinct advantage to the lecturer

that he should give his audience the impression that they are listening to first-hand knowledge. But for those who do not know the writer's personality, the perpetual claim of original work is apt to provoke weariness, if not irritation, in the reader. Doubtless the editor did not think himself justified in making an attempt to rewrite the book ; but a more stringent exercise of his discretionary judgment would probably have been to its general advantage. There are sentences which on a reissue of the volume should scarcely be allowed to stand. These are of two kinds : first, actual sentences lying between full stops which completely defy the efforts of the grammatical analyst. Such are those at the bottom of p. 72 ("How the possession of credit," etc.), near the top of p. 79 ("The fraudulent Chancellor of the Exchequer, Aislabie"), at the bottom of p. 189 ("These agriculturists thus secured"), and at the bottom of p. 252 ("It seems, too, till the home farm"). The second kind of necessary alterations consist of sentences one glance at which will show the propriety of simple excision. Such are the remarks on the Duke of Argyll (p. 15), Macculloch (pp. 2 and 243), Malthus (p. 220), and strictures on the motives and conduct of parties with whom the Professor did not agree, on pp. 329, 407, and 437. Turning to the general matter contained in the book, it may seem absurd to say that the theoretical is more valuable than the historical portion. Readers of the Professor's books will be prepared to find denunciations on the one side of "paste and scissors historians" (p. 93), and, on the other, of metaphysical economists (pp. 61 and 211). But the history to which we are treated is so scrappy, though so varied, so general and so isolated, that, either in the way of matter or method of treatment, we gain little substantial benefit from it. On the other hand, the careful criticism, both destructive and constructive, of the theory of rent (pp. 213–216, 223–225), which is perhaps Professor Rogers' most valuable contribution to the scientific side of his study ; the discriminative treatment of the theory identified with the name of Malthus (p. 367) ; and the elaborate argument for and against the principle of limited liability (pp. 145–152) are all valuable contributions to economic discussion. Nor is it less interesting to know the opinions of so profound a student and so active a participator in public life on the burning questions of the Eight Hours' Day (p. 158), the causes of the recent agricultural depression (pp. 228, 260, 315, etc). nationalization of the land (p. 200), or the unearned increment (p. 217). Professor Rogers was no revolutionist, as some of his denunciations would lead a casual hearer to suppose. He did not love landlords, but he was no enemy to individual ownership on a large scale (p. 259) : he is ready to warn us that the outcry

against the middle man may be unintelligent (p. 385). But he had a very strong sympathy with the industrious and struggling portions of humanity ; he was impatient of vested interests that stood in the way of social advance and protected their owners from the consequences of folly or knavery. He had been too much concerned in the political controversies of his time to be able altogether to avoid a polemical attitude even in dealing with the past. He defends Free Trade almost as if it were a creed ; he treats every attempt to regulate prices as if it were a conspiracy for the enslavement of labour. Yet, with all these points to which exception may be justly taken, Professor Rogers' name will stand as a beacon light to younger students of economics for many future generations. His interpretations may be discarded, his books may cease to be read, yet his method will still remain for imitation by all who would wish to repudiate the title of " paste and scissors " historians with which the Professor himself has branded them.

D. J. Medley.

THE COMMERCE OF NATIONS. By C. F. Bastable, LL.D., Professor of Economics in the University of Dublin. [216 pp. 2*s.* 6*d.* Methuen. London, 1892.]

" This book has been written in the belief that existing commercial policy and the doctrines respecting it are best explained by reference to their history." Professor Bastable's own words very well explain the scope of his work. He has wisely chosen not to be satisfied with merely stating the abstract principles of international trade ; but he has sketched the way in which the various commercial policies of the leading states of the world have grown up and developed, and has pointed out the underlying ideas and notions which have produced and promoted that development. The steps by which England has become a free-trading country, and the steps by which other nations have advanced further into protection, are carefully indicated, and are, as far as the conditions of the series admit, illustrated by figures, which, though they detract from the literary character of the work, give it greater instructiveness and reality. The book, however, is not purely and simply historical ; it is also didactic. The theory of foreign trade and international values is explained without the usual obscuring cloud of hypothetical and inconclusive reasoning ; something is said about the interpretation of export and import tables ; and, above all, the critical question of the day is discussed, and a general superiority all round is claimed for free, unrestricted commerce.

In his treatment of protection, reciprocity, and retaliation, which are

carefully distinguished and separately examined, Professor Bastable has been guilty of a certain amount of repetition. Many of the arguments *pro* and *con.* overlap; and it would have been both wiser and more instructive, especially in a work which treats the subject more or less popularly, to reduce their number by arranging them under a few great principles. Economically, the policy of protection, in industrial countries at least, is a mistake. Protective duties, if they are truly protective, will inevitably raise prices; and higher prices, *ceteris paribus*, invariably cause a decrease in the demand, and a narrowing of the market. To believe that the contrary will result, that the market will be widened, as the protectionist asserts, is like believing that water will run up-hill, or the sun give out cold instead of heat. But, on political and social grounds, the protectionist can make out a stronger case for himself. "The power of appealing from the narrower and more precise issue to the social and political consequences that must always occupy so large a part of the statesman's attention, has been the strongest of protectionist weapons." After such an acknowledgment, this aspect of the question, if discussed at all, demanded a full and fair treatment. Professor Bastable has glided too lightly over this part of the subject. If increased communications are tending to destroy national characteristics, the fact does not prove that the attempt should not be made to preserve those characteristics, if they are the bulwarks of a higher morality and more perfect civilization. Survival is not in every case survival of the fittest. The sympathetic historian of Greece has shown the necessity of an agricultural population, and the fatal effects which follow its extinction. Now, in England, under the influence of free trade, agriculture has declined, and there is a steady exodus from the country into the towns. The migration is at present engaging the anxious attention of Parliament, and efforts are being made to arrest it by means of Allotments and Small Holdings Acts. Should the remedial measures fail, and should the depopulation of the rural districts increase to an alarming extent, the statesman may cast economical considerations aside, in order to rear up a sturdy agricultural class, which history shows to be needful as the backbone of a State.

The modern world has long outgrown the Greek view of the *βαναυσία* of trade and handicraft. But the fact seems indisputable that some pursuits and occupations are associated with a lower moral tone than others. From the time of Cleon downwards leather has always carried with it a certain contamination. If it is found that free trade, whether through "natural capacities," the action of hostile tariffs or what not, produces an increase of such employments as are more

degrading and more inconsistent with a higher life, and a corresponding diminution of those which are auxiliary to it, then a violation of *laisser faire* may be justified in view of those more sacred interests which it is the object of political association to promote. Moral and intellectual development cannot legimately be kept out of sight by any Government. Wealth is, as Aristotle taught, an ὄργανον, an instrument or means to an end beyond itself, and the process of its accumulation is at once condemned when it becomes antagonistic, instead of helpful, to that end. Of course the reply is easily made that the definition is a purely ideal one : at any rate it is one which is too much ignored in these utilitarian days.

Mercantilism passed by easy stages into the modern Protectionism ; but so far as any one epoch was decisive, Professor Bastable seems right in fixing on the period of the Napoleonic Wars. The great movement in favour of natural freedom and against artificial restraints which distinguished the latter part of the eighteenth century, extended into the field of economy : and the Eden treaty, and the views of statesmen like Turgot and Pitt appeared to foreshadow the removal of the obstacles to free exchange. The fair prospect, however, was clouded by the storms of war. Increased revenues became a pressing necessity ; taxes on imported commodities suggested themselves as the readiest and most effective means ; and the Continental System of Napoleon and the English Orders in Council acted as still severer restrictions on international commerce. Under such circumstances each country was thrown almost entirely on its own resources. Articles formerly procured from abroad had to be produced at home. New industries sprang up on all sides to supply the need. The war came to an end ; national feeling had defeated Napoleon's ambition to build up a universal empire ; and national feeling cried out for protection for those industries, which, on the restoration of peace, were threatened by foreign competition. Protection was the price at which Modern Europe obtained its redemption.

From 1815 to the present time, there has been generally a steady increase in protective duties. Even England's adoption of free-trade principles had only a slight and temporary effect on other countries. The continuance of the old policy is well explained by its origin. Springing from the spirit of nationalism intensified by war, protectionism is fostered by the principle which gave it birth ; and it is now closely associated on the Continent with the maintenance of huge national armies. Nor are national aspirations limited to merely political independence, but, in the large States of the modern world, they embrace notions of that αὐτάρκεια of which philosophers dreamed in

the city-states of Greece. The national unit is to be made as completely as possible an economic unit also. In the colonies, protectionism rests on a different basis. Here the fiscal motive is predominant over all others. In extensive and sparsely inhabited countries, the difficulties of collecting direct taxes would be enormous, and the face of the tax-gatherer would be more than usually odious to the Australian or Boer, who lives in semi-isolation and semi-independence in the plains of the interior. Import duties present the easiest and least obtrusive means of raising the required revenue.

The galling effects of the present protectionist *régime* are becoming more and more acutely felt, and the desire to escape from them is seen in the formation of commercial treaties and unions, of which the Central European Federation of last year is the most recent and greatest example. But whether such unions will widen into full freedom of trade, into a federation of the world, is a secret still hidden from our eyes : Θεῶν ἐν γούνασι κεῖται.

G. W. Powers.

PRINCIPLES OF SOCIAL ECONOMICS. By George Gunton. [441 pp. 7*s.* 6*d.* Putnam. New York and London, 1892.]

Three years ago Mr. Gunton published a theory of the wages question which met with a favourable reception at the hands of the American and English press. The author then promised, as a second instalment, a volume which should be "more of a text-book for students, being devoted to the consideration of the principles of social economics." This book is the fulfilment of that promise. The weak part of Mr. Gunton's former work was the second-hand economic history with which he endeavoured to fortify his thesis. To a small extent he has repeated this error in his later volume. He does not profess to be an historian, but one who, as he informs us in *Wealth and Progress* (p. vi.), has "for twenty years been a close student of economic questions." The work would have been more valuable had such a one avoided the debatable land of economic history. For on his own ground of criticism, and especially on that of constructive theory, Mr. Gunton has produced a piece of good, solid work. Always clear and almost always readable, his book gives evidence of a careful and thoughtful rather perhaps than a brilliant or original mind. Space does not permit of anything like a detailed exposition of Mr. Gunton's theories. It must suffice to indicate briefly the point of view from which he has approached the questions with which he deals, and some of the chief results to which it leads him.

The author proclaims himself an adherent of the "New School" as

against the "Commodities School" of economists, and considers that the disrepute into which Political Economy has fallen is due to "an effort to apply erroneous ante-factory theories to factory conditions." He points out that "the factory system has made the use of natural forces (steam, electricity, etc.) necessary to successful industrial enterprise;" that "Nature will only work cheaply when she is serving a large number;" thus "the success of all machine-using industries now primarily depends on the extent to which their products are consumed by the masses;" and that "the whole subject of economics . . . ceases to be a mere science of wealth . . . and becomes a science of human welfare" (pp. viii., ix.).

Regarded from the point of view of the consumers, and not of the commodities which they consume, social are substituted for physical economics, and the social question "resolves itself into the problem of developing the character, individuality, and social life of the masses." It is Mr. Gunton's merit that he has put this now common-place point of view freshly and vigorously. But the more important part of his work is his really splendid endeavour—of the success of which it is, perhaps, too early to speak—to place this social economy so conceived upon a scientific basis. He accepts from the earlier writers the old divisions of Production and Distribution. We could read him side by side with any "orthodox" treatise of Political Economy. But there is scarcely a proposition to be found in any of our text-books on which he has not some destructive criticism to pass. He is no more in agreement with Walker than he is with Mill. Ricardo, Sidgwick, Cairnes, fail to meet with his approval. He considers that Ricardo "probably had more glimpses of fundamental truth than any other writer of this century" (p. 104). Sometimes it is a mere purging of an old theory from misleading assumptions, as in the case of Ricardo's theory of rent (p. 221), which he sets before him. More often the endeavour is entirely to dethrone one of the fundamental truths of the older economy. The central point of attack for the purpose of demolition is the law of price (including the price of labour, *i.e.* wages) as affected by supply and demand. Mr. Gunton takes exception at starting to Adam Smith's distinction between value in use and value in exchange. He points out that there is a fundamental difference between utility and value, the former being a quality and the latter the relation or proportion between things; further, that value expresses the ratio of *economic* exchange, *i.e.* an exchange which is mutually advantageous. He contends, in continuation, that price and value are economically equivalent terms, for price also expresses the ratio of exchange, and as the proportion in which two things exchange for each other indicates

the value of each, so the price of a thing is indicated by that which is given for it. The great body of consumers who form the modern market have no commodity for sale but their labour; thus all exchanges are ultimately the exchange of wealth for service, the distinction of the old economists as to the possibility of a general rise in prices but not in values becomes meaningless, because all commodities can only rise or fall in relation to the one commodity, labour. Again, if price were settled by an equalization of demand and supply, as is generally asserted, over-production would be next to impossible, while, if the principle acted in the domain of labour, enforced idleness or able-bodied pauperism would be out of the question. The real regulator of price, whether of commodities or of labour, is cost of production, and that of the most expensive portion of the necessary supply in the market. Thus the price of labour or wages, to take the most important case, is determined by the cost or standard of living of a labourer's family, which is the true industrial unit. This cost is ever tending upwards, and rightly so. If the capitalist would only recognize the fact, "the successful use of capital depends upon the general and permanent rise in wages," for such a rise means increased consumption, and therefore increased demand. Demand causes further supply, and the only way in which such increased supply can be obtained is by the extensive use of machinery, *i.e.* the employment of more capital. Thus highly paid labour, provided that the increased demand creates new employments to absorb the labourers discharged by the more extensive use of machinery, is in the end the cheapest, because it renders possible the use of that machinery, and the future of the labour question is to be found in a greater concentration of capital or production on an increasingly large scale combined with a general rise in wages or the standard of living of the labourer. From this position follow several important corollaries: (*a*) Everything which raises the standard of life for the labourer raises wages. To this Mr. Gunton has, in his earlier book, given a practical application by the advocacy of an eight-hour day. (*b*) Every scheme of social reform which has an object other than the increase of wages, fails to touch the real heart of the question. (*c*) Wages stand on a different level from rent, interest, or profits. Wages represent cost, whereas the other three are surplus. Hence, he holds, it is most necessary for the advancement of the labourer that a country of highly priced labour should protect itself against the invasion of products of countries where wages are not so high. Thus America rightly protects herself against England, and the time may come when England will find it necessary to protect herself against the serious rivalry of the lower standard and therefore less

highly paid labour of other European or of Eastern countries. This is but an imperfect summary of the many interesting points dealt with in the book. The thoughtful man will find much to stimulate him in its perusal, and the sympathetic student of democratic conditions will meet with abundance of solid and sensible argument whereby he may fortify the faith that is in him.

D. J. Medley.

NOUVEAU DICTIONNAIRE D'ÉCONOMIE POLITIQUE. Publié sous la direction de M. Léon Say et de M. Joseph Chailley. [Vol. ii. grand in-8 jésus. 1205 pp. Guillaumin. Paris, 1892.]

With the exception of the Indices and Introduction, which we hope to notice on a future occasion, the whole of the new dictionary is now before us.

The second volume is, of course, open to very much the same criticism as the first. The articles on general subjects still suffer greatly from the lack of historical spirit which characterizes the *Journal des Economistes* school. Obviously, or almost obviously, the only useful way of dealing with a subject such as "Value" in a dictionary is to treat it historically. An article on it should confine itself to giving a brief and well-arranged history of the development of the theory of the subject. Instead of this, the dictionary contains a twelve-page treatise, giving M. de Molinari's theory, which, with its Robinson Crusoe illustrations, and its laborious attempt to distinguish what no sane man ever confused—wealth and value—might have been considered useful and suggestive in the year 1820 or thereabouts. M. de Molinari does, indeed, devote a final section to the "historique" of the matter, but this soon degenerates into an attempt to overthrow Marxism by the aid of the idea of McCulloch and James Mill, that capital must be remunerated because it is "accumulated labour." Does M. de Molinari really think that he will ever convince a socialist factory hand that the factory in which he works is "accumulated labour," instead of a brick-and-slated building with a steam-engine and machinery inside? How rapidly the history of socialism is being made is illustrated by the shock of surprise an English reader feels on finding *Socialisme d'État* treated in an article separate from that of *Socialisme*. Not many years ago "State Socialism" was a common enough phrase; but now we have almost forgotten that there ever was any socialism which was not State socialism. The article on *Socialisme d'État* turns out to be a description of the anti-socialist socialism of the German Govern-

ment, and is signed by Ludwig Bamberger. The author looks on this socialism as identical with the Katheder or professorial socialism. He makes us rub our eyes by the complaint that the phrase, "unearned increment," translated literally, means "augmentation non moissonnée," instead of what it is intended to mean—"profit récolté sans avoir été sémé." Etymologically, "unearned" does mean "non moissonnée," though we have all forgotten the fact, and treat "earn" as meaning "to obtain by labour," and "unearned increment" as meaning increment obtained without labour. Another rather unexpected heading is *Rente* (*Loi de la*). There was a "law" of rent in the old *Economics of Industry;* but there is none in the new *Economics of Industry*, and most English economists would probably be puzzled to say off-hand what the law of rent is, or whether there is any. M. Courcelle-Seneuil gives it as follows : "Lorsque la population augmente sur un territoire donné, on ne peut obtenir de ce territoire une somme proportionelle d'aliments qu'en appliquant à l'exploitation de la terre une industrie plus puissante." This is clearly what we call "the law of diminishing returns." M. Courcelle-Seneuil admits that his name, "loi de la rente," is "un peu bizarre," and says he employs it "faute d'avoir su trouver mieux." It certainly is a little *bizarre;* but is not our own term, "the law of diminishing returns," equally so? We could scarcely ask M. Courcelle-Seneuil to adopt "loi des produits diminuants." Any one who wishes to improve his knowledge of eighteenth-century French economics and economists cannot do better than read M. Schelle's biographies of Turgot, Necker, Quesnay, Le Trosne, and others. The dictionary is, however, singularly unfortunate in its articles on the great English economists. Accuracy is the first desideratum in a work of this kind ; and yet we are told that Jevons published two of his works in 1775 and 1778 ; that Malthus' second edition appeared both in 1803 and 1805 ; that James Mill came to London in 1602 ; and that Ricardo managed to live fifty years between 1778 and 1823. Mdlle. Raffalovich, in the page devoted to Jevons, does not find it necessary to mention final utility, and we look in vain for the instruction supposed to be obtained from seeing ourselves as others see us in the three pages on Malthus by M. de Molinari, the seven on J. S. Mill by M. Faure, the two on Ricardo by M. Vidal-Naquet, and the five on Adam Smith by M. Courcelle-Seneuil. M. Vidal-Naquet knows nothing of the key to Ricardo's *Principles*, the *Essay on the Influence of a Low Price of Corn*, and is content to re-echo the traditional legends about "sa logique implacable" or "sa rigoreuse logique." How little hold our insular discussions have obtained on the French mind is illustrated by M. Vidal-Naquet's

innocent remark, "La conséquence de l'élévation de la rente est la hausse du prix des subsistances." M. Courcelle-Seneuil adds nothing to our knowledge of Adam Smith. The time has apparently not yet come when French economists will consider it worth while to investigate seriously his relations with the physiocrats and Turgot. Had he read Turgot's *Réflexions*, or not? Was he dishonest, or only muddle-headed, when he said that the physiocrats "endeavour to degrade" the class of artificers, manufacturers, and merchants "by the humiliating appellation of the barren or unproductive class," although, according to his own system, "unproductive" labour included that "of some of the most respectable orders in the society"? These and a hundred similar questions which are of interest though not of the first importance, still remain unanswered. The strength of the second volume, as of the first, lies in the description of actual institutions and movements rather than in theory and in the history of past events. The article on "Mines" might be read with great advantage by all those who imagine the English system of giving minerals to the owner of the surface to be the natural and universal method. "Valeurs en douanes" should be consulted by the numerous class who rashly draw deductions from the figures which governments call statistics of the values of imports and exports. France, England, and Belgium are said to be the only countries which make any serious attempt to secure accuracy. The articles on "Impôt," "Monnaie," "Morcellement," and "Octrois," may be noticed as particularly interesting. "Paupérisme" contains some calculations which make plain the absurdity of the old theory that pauperism is a peculiarly English institution. The article on "Travail (réglementation du)" contains an excellent synoptical table of the laws with regard to the labour of women, children, and men existing in the various European countries on October 1, 1891.

EDWIN CANNAN.

PAUPERISM AND THE ENDOWMENT OF OLD AGE. By CHARLES BOOTH. [355 pp. 5*s*. Popular Edition, 6*d*. Macmillan. London, 1892.]

It is needless to say that this is a work which is indispensable to the student of the economic and social condition of the lower strata of the labour-classes, to members of whom it has now become customary to restrict the once broader designation of "the poor." Mr. Booth's latest contribution to a phase of the social question which he has specially made his own is, however, much more than a handbook for the student or the philanthropist; it is a book addressed to the

people, to the masses, whom the writer takes into his confidence, and to whom he appeals for a verdict in his favour. Hence the simultaneous issue of a cheap edition, placing the results of Mr. Booth's investigations within the reach of the "many." Such being the case, it would be an abuse of time and valuable space to enumerate the characteristics of the volume. The author has brought his social message to the doors of the people, and it is for them to "read, mark, learn, and inwardly digest." As reviewer, I shall content myself with indicating one or two features which suggest comment.

The first part of Mr. Booth's self-imposed task gives us a master picture of social disease, or, to be quite accurate, an almost endless picture-gallery of failures in life, when we include an appendix in which we have grouped together a thousand and odd stories of London pauperism. The delineator of the "Picture" is, however, fully aware that the ground covered by his canvas is far short of anything that could justify him in drawing a sure and certain outline of the pauperism of the whole of England, although to the studies in London pauperism there has been added a short account of one country Union. But we cannot regard the selection made as at all typical. Indeed, the accounts of a large number of Unions would have to be included before the reader would have sufficient data by which to formulate an opinion.

In other matters of administration of the poor-law tied and bound by a long string of articles sent down from the Central Board, the Guardians of the Poor are allowed the fullest latitude in the matter of giving relief—whether out or in; whether (relatively speaking) much or little; hence "pauperism" is a movable quantity, and practice of one Union is not the practice of another. When the results of the promised inquiry, ordered by the Local Government Board, are issued, we shall be in a position to test the revised figures of Mr. Booth, especially with regard to the number of paupers over sixty-five, which he now puts at a ratio of 25·9 to the population over that age. It is probably nearer 30 per cent. At the present moment, however, the most eagerly read and most warmly debated portion of the work will be the question of a collective endowment of old age, "granted to all old people from a common purse" as the proposed remedy. In marshalling his arguments, Mr. Booth has left nothing to be desired; but candour compels us to add that, in his laudable desire to meet objectors, the writer has not strengthened his case, but rather weakened it in his amended proposals. It is comparatively easy to make short work of the divers schemes before the public for insurance of old age by the State; the real difficulty commences with the raising of the Endow-

ment Fund ; but Mr. Booth has added to his difficulties by inserting a proviso, that, on receipt of relief between the ages fifty-five to sixty-five, the pension should be received at the hands of the guardians, who *may* insist on the old person entering the "house." I cannot help feeling that, in view of the number of those persons who pass through life on the edge of pauperism, in view of prolonged sickness or infirmity before sixty-five, compelling many to accept temporary relief from the rates, and in view of the lightning fall in earning powers, after fifty or fifty-five, of members of specially laborious and unhealthy occupations, such a prohibitive restriction would put out of court many cases in which free endowment was most deserved. Indeed, it is this attempt to set up a standard of social worth or deserving that has weakened Mr. Booth's original proposals. *Age* is the only pension qualification of which the State can safely take cognizance.

But the most fatal flaw in the suggestions offered by the author runs through the method by which he would raise the necessary means for providing pensions. It is at once evident that, unless the scheme receive the *imprimatur* of a leading statesman, or group of statesmen, and the support of one or both of the great political parties, it can secure no political existence—it must needs remain among the number of unclothed ideals. Yet in a single paragraph Mr. Booth goes far to destroy the structure he has so laboriously and so skilfully raised. It is safe to affirm that that statesman is at present unborn who would venture to reimpose taxes on such necessaries of life as sugar and tea ; but it is this, and nothing less, which to Mr. Booth seems possible ; apparently oblivious to the fact that he is tearing up a plank in the platform of the Liberal party, and running counter to the whole line of domestic policy for years past. A graduated income-tax, death duties, unearned increment, taxation of land values and royalties—all these possible sources would doubtless encounter strong opposition ; still such as might be overcome : but if the author of *Labour and Life of the People* wishes to address himself to the people, and call them to his side, it is needless to say he must not tax prime articles of consumption.

Again, though generally confirming Mr. Booth's arguments in answer to the list of objections to his scheme of endowment, which he has gathered from "every available source" (always excepting his proposed methods of taxation), and acknowledging fully the truth of his statement, that a bare sustenance provision for old age would strengthen self-supporting effort, encourage the practice of economic duty, and "stimulate rather than weaken the play of individuality," while the mutual provident associations of the wage-earning classes would also

be greatly assisted along the path leading to complete actuarial solvency, by being relieved of the burden of providing for the continuous sickness and infirmity incident to old age (which so often takes the form of weekly allowances); it is undeniable that, in addressing the labour classes in the community, and in his endeavour to remove misunderstandings and misconceptions, our author has strangely passed over the most tenaciously held and most widely spread objection entertained by a large portion of these classes; namely, that the scheme is not primarily intended for the benefit of the working man, that it will confer no actual benefit upon him, and that the lower in the social scale or the poorer he is, the higher in proportion would be his share of the taxation. And I am bound to add that there is some ground for this wide-spread belief, until "taxation '*has been*' arranged to fall in true proportion to income." So many schemes of State Insurance, notably that of Canon Blackley, and in a less degree only that of Mr. Chamberlain, are regarded by the pick of the working classes with great suspicion, because, in their view, they are so many ways of relieving the wealthy and well-to-do of their obligations to their "poorer relations" in the State, and of imposing fresh taxation which will fall the heaviest on labour. The original draft of Mr. Booth's proposals, as contained in a paper read before the Statistical Society, was free from this suspicion, but it is scarcely possible to affirm the same with regard to his revised proposals. Consequently, we are afraid that the people to whom Mr. Booth so honestly and openly makes his appeal will have their belief strengthened that his scheme is not primarily for the benefit of the "masses" rather than the "classes," and that by the publication of this volume, however much we are indebted to the writer for his untiring inquiries into the poverty and pauperism of the nation—and the debt will not be easily paid—he has not advanced acceptance of the special remedy with which his name is so closely associated.

J. Frome Wilkinson.

THE STATE AND PENSIONS IN OLD AGE. By J. A. Spender, M.A. With an Introduction by Arthur H. D. Acland, M.P. [xxvi., 161 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

It is inevitable that, in a series already extended to some sixty volumes, degrees of merit should occur. We are able to award "excellent" to this volume of social science. In some respects, it is the best contribution to a burning question of the day that has yet been issued from the press. Mr. Spender is one of those writers—

Oxford has produced others besides—who are content to furnish their readers with accurately acquired knowledge; with facts in the rough, not dressed and squared to fit ready-made frames of opinion. In other words, the writer does not pick and choose this or that because it supports individualism, or makes for socialism. He is refreshingly honest, makes no pretence of taking sides, but keeps to his one object, namely, that of providing material for forming a judgment rather than of pressing any particular proposal upon the reader. What conclusions he does suggest are the outcome of his investigations, and are, consequently, of the highest value. Mr. Spender's London training has stood him in good stead; and with him human interests are paramount. Amidst so much that is good, it were invidious to try and pick out the best; but if choose we needs must, we would specially recommend the following chapters both to those readers who have at present no fixed ideas of the subject of Old Age Pensions, and, above all, to others who, it may be on insufficient grounds, have more or less formulated their opinions:—I. "The Life of the Poor in Old Age." A series of pictures worthy to be hung on a line with those of Mr. Charles Booth, the samples furnished from rural districts being new to the many who have not spent a life among the agricultural labourers and their families—having eyes and using them. The writer proves up to the hilt his conclusion, "that the poverty among the working-class in old age has not been exaggerated, but is hardly yet realized to the full by the public. A great deal of this poverty is quite unavoidable by any efforts earlier in life;" II. "Wage-earning Capacity in Old Age;" IV. "The Aged and the Poor Laws;" and IX. "General and Economic Considerations." So far as we have been able to test it, Mr. Spender's information has proved itself to be painstakingly accurate in detail, as well as lucid in arrangement. Perhaps, if there is any weak place in the chain, it is in Chapter III., on the "Resources of Old Age." The writer is dealing with the great voluntary thrift agencies—Friendly Societies, Trades Unions, etc., and is not quite at home with the great affiliated societies, or indeed with Friendly Societies in general; the information supplied him has on several occasions failed him. There is a considerable amount of direct provision for old age, independent of continuous sick pay, which has been passed over. It would be more correct to affirm that two thousand instead of two members of the Manchester Unity are secured superannuation benefits, and it is a low estimate to reckon that one person in every fifteen of the Friendly Societies membership for England and Wales is in the same position. It must be confessed, however, that such insurances are not always based on sound financial principles, and cannot be commended for

example's sake. Mr. Spender (p. 50) refers to the notable example of a semi-county society—the Stoke and Melford Union Benefit Association, but is mistaken in classing with this "time-honoured" thrift institution the Catholic Benefit Society. The so-called scheme of annuities in the latter is copied from the rules of the Annuity Fund belonging to the Nottingham Imperial Order of Oddfellows, and partakes rather of the nature of a dividing and annuity society, with the inevitable result that in old age, the older a member the less share he will have—only a miserable pittance of interest—if, indeed, the fund has not been wound up before that time arrives. The writer has overlooked the splendid superannuation fund of the Locomotive Steam Enginemen and Firemen's Friendly Society, as also that of the Scottish Order of Oddfellows. Elsewhere, surprise is expressed that the Trade Unions, "notwithstanding that many of them do definitely provide superannuation benefits for their members, appear generally to favour a State pension scheme." The reason is evident; it is because these unions feel, year by year, the ever increasing drain upon the one common fund for provident and trade purposes which is caused by the demands of superannuated members, that they naturally seek relief and assistance from the State to share the burden.

We have only to add that, for full consideration in all its bearings of the complicated social problem of a more humane treatment and securer provision for the aged workers of the nation, Mr. Spender's little volume is as indispensable as Mr. Booth's *Pauperism and Endowment.* The brief and interesting introduction gives the reader a *résumé* of the work of the Parliamentary Select Committee on National Provident Insurance, with general remarks upon Mr. Booth's proposals from a political point of view.

J. Frome Wilkinson.

INSURANCE AND SAVING. A Report on the Existing Opportunities for Working-Class Thrift. With an Introduction on the Poor Law as an Obstacle to Thrift and Voluntary Insurance. By T. Mackay. [120 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

This is the first of another Social Science Series, to be issued under the *imprimatur* of the C.O.S. We are afraid that we cannot congratulate the society on the opening volume. The difficulty—not to say impossibility—of giving a fair and adequate report of the many branches of working-class thrift within the space of seventy pages (the remainder of the volume is taken up with Mr. Mackay's introduction) is increased by the obvious bias towards the extreme

individualism of the writers of *A Plea for Liberty*. The report appears to be mainly the work of the chairman and secretary (Mr. G. C. T. Bartly, M.P., and Mr. T. Mackay) of the specially appointed committee, and evidences of the particular views of these gentlemen colour the whole. For practical purposes we doubt the correctness of the view that "insurance" is not "saving," the latter term covering only (according to the report) such investment of money as remains under the investor's own control—a definition cutting off the Mutual Friendly Society. Indeed, the account given of these thrift institutions of the working class is meagre and wanting in sympathy. The primary fact that the great Friendly Societies owe their existence, not to the individualistic payment of premiums across the counter, but to the social gathering, that they are fraternities, and not mere insurance agencies, is a feature altogether overlooked; while prominence is given to the artificial and mechanical class of Deposit Friendly Society. Under "Women's Friendly Societies," the "United Sisters" is adversely criticized, because it sprang into life "with all the machinery and expense of an affiliated society." We fail to see how it could be—what it is—an affiliated order for women, unless it had started with its proper constitution and government. Nothing, perhaps, better shows how behind the times much of this report is than the encouragement given to purely local and isolated societies in these days of large combination and co-operation. We fear there is good reason for the strictures of Mr. A. P. Fletcher (a member of committee who unfortunately was unable to attend) with regard to the encouragement given to the costly industrial insurance companies. The virtues of these "commercial" enterprises are greatly magnified, while a blind eye is turned to their manifest shortcomings, and the enormous profits (made out of the pennies of the poor) which find their way into the pockets of upper and middle-class promoters and shareholders. If the series undertaken by the C.O.S. for the benefit of students of social science is to be of permanent value, care will have to be taken that the subject-matter is regarded from an unbiassed and less narrow point of view. We fully admit that there is a good deal of valuable information in the volume before us, but this only causes us the keener regret that the drawbacks are such as to impair its usefulness as a handbook. Of the introduction, it will be sufficient to say that it is what we should expect from the pen of the author of *The English Poor*, clear and incisive and informing, but strongly tinged with uncompromising views. The small list given at the end of the volume, of books of reference, etc., is not up to date. The address of the publishing office of the *Foresters' Miscellany* is two years behind, the central office of that society being peripatetic. The

permanent address at which copies may be obtained is H. J. Brandon, 7, Bolt Court, Fleet Street, E.C. *The Friendly Societies' Journal* is defunct ; while the London and general publishers of the *Oddfellows' Magazine* are J. Heywood, 1, Paternoster Buildings, and Simpkin, Marshall and Co. Unless references are correctly given, they are worse than useless.

J. Frome Wilkinson.

METHODS OF INDUSTRIAL REMUNERATION. By David F. Schloss. [287 pp. 8vo. 3*s*. 6*d*. Williams and Norgate. London, 1892.]

This is a really valuable contribution to the better understanding of a very difficult and complex problem that nowadays is always with us. Whether or no the reader accepts without reserve all the conclusions of the writer, he cannot fail to find the book most wholesome and instructive. Mr. Schloss has here brought together, with great ability and clearness of arrangement, a vast array of facts of quite first-rate importance, and largely acquired at first-hand from independent investigations. As a plain and straightforward statement of the manifold ways in which wages are paid, and as a fair-minded criticism of their respective advantages or defects, this book is indispensable to the student.

The earlier chapters (i.–xii.) deal with the different kinds of wages now in vogue—time-wage, piece-wage, task-wage, progressive-wages, collective piece-wage, collective task-wage, collective progressive wages, contract work, co-operative work. From Mr. Schloss's careful analysis it is clearly seen that the present wage-system possesses more elasticity than is sometimes supposed. But the various methods dovetail into one another. Thus, for instance, it is well pointed out that, as "time-wage very often has a recognized piece-basis, the remuneration received by the operative being fixed with a distinct relation, tacit or expressed, to the amount of the labour, which he performs within the period in respect of which that remuneration is received" (p. 13) ; so, on the other hand, "all forms of piece-wage virtually rest upon a time-basis. In short, a rate of wage, whether piece-wages or time-wages, will on analysis be found to be fixed with reference to what is here called the standard of remuneration" (p. 21).

In the three following chapters (xiii.–xv.) the method of sub-contract is examined. Herein occasion is found to protest against a not uncommon confusion of this, under proper safeguards, perfectly legitimate method of industrial organization with the detested "sweating system." That "sweating" exists in a most aggravated form, Mr.

Schloss, with the facts vividly before him, would be the last to deny; but he does deny that "as a system" it has any existence whatever. The term "sweating" is used by Mr. Schloss to denote three more or less distinct kinds of ill-treatment: "A worker is sweated (1) if he is grossly underpaid, (2) if he is employed during unconscionably long hours, (3) if, whether the period of his employment be long or short, and even if his wages be not extremely low, he is compelled to tax his powers to an unreasonable extent" (p. 126).

But of these evils the first two are equally chargeable against large employers who are not sub-contractors; and the facts will only allow us to say that the third form of sweating "is in a marked degree more prevalent among 'sub-contractors,' and other small masters, than among large employers" (p. 129).

The remaining chapters (xvi.–xxix.) are occupied in considering how far the present wage-system has been modified by the "novel system" of co-operation, under its two forms of profit-sharing and industrial co-operation. The actual results, as related by Mr. Schloss, of this attempt to substitute, whether wholly or partially, profit for wages as the remuneration of industry will be generally accepted as substantially correct. The working-classes have gained immeasurably from the co-operative movement. Habits of thrift have been encouraged; and, above all, much has been accomplished in the way of education and organization. But the co-operative ideal of the self-governing workshop has not succeeded in practice according to the sanguine hopes of its earlier enthusiastic supporters. This fact, then, has to be faced. But there are still alternatives open to the interested observer. Either, on the one hand, he may readily acquiesce in the practical outcome of some fifty years' experience, and may accept the lower and easier standard, and endeavour to get out of it all it can afford. Or, on the other hand, he may doubt the finality of the experiment. He may yet be firmly convinced of the intrinsic merit of the ideal co-operative method, and may have reason to distrust the effectiveness of even comprehensive organizations of employers, of trades-unions, and of consumers' associations, set up over against one another on the old competitive lines, to secure industrial peace and harmony. And if he be a pupil of Maurice, he will have but little confidence in any mere system or organization as such, and will be inclined to place every emphasis upon the development of that "higher social morality" upon which, as Mr. Schloss believes, so much depends.

J. Carter

LA LOTTA POLITICA IN ITALIA. Origini della Lotta Attuale. By Alfredo Oriani. [890 pp. 9 francs. Roux. Turin-Rome, 1892.]

The scope of the *Economic Review* prevents more than a cursory notice of this book. Signor Oriani has with glowing patriotism and with fervid eloquence described how Italy has ceased to be a mere "geographical expression," and has at length, after fourteen centuries of effort, realized her national unity. Italy, however, has still two great difficulties to meet, two great problems to solve—the one to be found in the position of the papacy and its hostility to the new government, the other in the deplorable condition of the finances. The recent ministerial crises, though demonstrating the extraordinary burden of taxation—a burden which is said to amount in Rome to the alarming figure of 55 per cent.—have also shown that the country recognizes the necessity of maintaining its huge military establishment. Service in the ranks of a national force, with its levelling and unifying influence and its propagation of a common sentiment, lessens the mutual differences and jealousies of the Neapolitan and the Piedmontese, of the Sicilian and the Lombard, and welds together the various parts of the peninsula in a more compact and harmonious whole. In the budget the deficit is constant; and yet the army is too indispensable both socially and politically to be materially reduced.

Signor Oriani has not written solely as a historian, but also as a politician. As an Irredentist, declaiming against the unchanged hostility of Austria, and asserting Italy's right to Trent, Trieste, and the Adriatic, he is bitterly hostile to the Triple Alliance, "the last stage of Italy's political inferiority," and would rather associate his country with ambitious France and aggressive Russia, although the preference for France, who robbed her ally of Savoy and Nice, and who at the present time holds "Italian" Corsica, and is diplomatically the support of the papacy, is on Irredentist principles difficult to explain. Party bias, though it renders the writing more lively and entertaining, detracts somewhat from the historical value of what is a fascinating work on a fascinating subject.

G. W. Powers.

THE REDEMPTION OF LABOUR; or, Free Labour upon Freed Land. By Cecil Balfour Phipson. [Two vols. 8vo. Sonnenschein. London, 1888.]

Mr. Phipson has evidently given much of his attention to the writings of J. S. Mill and Mr. Henry George. The two volumes

before us consist, to a large extent, either of a criticism of the principles of the old orthodox school of English economists, or of a refutation of the new theories of the American writer. But our author is not contented with criticism. On every debatable question he offers us with much confidence his own solution of the difficulty.

He begins with the laws of exchange and value. On this important subject, it appears to us that Mr. Phipson has deeper and more comprehensive views than most recent economists. "Value," he tells us, "is nothing but the relation which all things other than food bear to such surpluses of food as are available for exchange." Here, we think, he is on the right road to a true historical treatment of the laws of value. There are passages in Adam Smith and Thorold Rogers which hint that this is the right way of treating the subject; but Mr. Phipson has the great merit of making the above-quoted principle the corner-stone of his theory of value.

His treatment of capital and rent is not so successful. "Food," he thinks, "alone of all other productions, satisfies the conception of capital, which insists upon it as a prerequisite to labour." Here, it appears to us, he has gone wrong, and has failed to seize upon the radical point of difference which separates capital from other forms of wealth. We should say that the function of capital is rather to *assist* than to *maintain* labour. Economists have been blinded upon this as upon other matters, by looking at the question from the point of view of the individual capitalist.

In dealing with rent, Mr. Phipson disagrees with Ricardo, because he has failed to understand the theory of that subtle and acute economist. This is not an uncommon fault; for to most people Ricardo appears to be an obscure writer. Mr. Phipson seems to suppose that Ricardo taught that "fertility is the cause or source of rent." Ricardo, in fact, said just the opposite. He clearly laid down that rent is always the creation of value, and that it must rise, not with the *increased*, but "with the *diminished* fertility of the land." To clear the matter up, we may suggest two questions, which were long ago suggested by Sir William Petty. (1) How many men will the land feed? (2) How many men are there to be fed? If, in answer to the first question, we find that the land is possessed of very little fertility, then it is not capable of bearing any rent. If it be of high fertility, then it will *bear* a high rent; but whether it will *pay* a high rent or not depends on the answer to the second question—Is there a large population to be fed? In other words, we must distinguish carefully between the ability to bear a high rent, and the ability to pay it. The first question is a question of productiveness, the second is entirely

a question of value. Ricardo's great merit was that he detected the bad reasoning which underlay the teaching of Adam Smith and Malthus about rent. These writers clung to the old notion that rent is the result of the fertility of the soil, while Ricardo himself in this, as in other matters, drew clearly and firmly the distinction between wealth and value, the neglect of which has thrown recent political economy into hopeless confusion. However, Mr. Phipson's own theory of rent does not appear to differ materially from that of Ricardo, although he imagines that it does ; and he correctly points out, in answer to Mr. George, that "the payment of true rent places no tax at all upon labour."

We will not follow Mr. Phipson into his discussion of wages and profits. He does not seem to us to have added anything material to what has already been written on these subjects. We will pass on to consider the remedy he proposes for bringing about the redemption of labour. This remedy is for the State to insist upon all land being let subject to a fixed and permanent rent-charge. Under this plan the tenant would be entitled, not only to the enjoyment of all improvements made by himself, but also to the unearned increment. We will only observe that the remedy might settle difficulties between landlords and farmers, but would hardly touch the difficulties existing between labourers and employers. For before we can hope that labourers would be benefited by such a plan, we must decide whether small holdings are compatible with the conditions of English agriculture. This is a question that has certainly not yet been determined. It is useless for Mr. Phipson to quote the case of the Channel Islands, because the slightest investigation will show that the conditions of agricultural success in the Channel Islands are widely different from those that prevail in an ordinary English county. In fact, the inhabitants of the Channel Islands make their living rather as market gardeners than as producers of staple commodities, such as cattle, sheep, and oxen. But let it be granted that a body of small cultivators having proprietary rights in the soil under a fixed rent-charge could be established in England ; is it quite certain that such a result would be for the general advantage of the community ? Such a body would naturally ally itself with the middle classes of the towns, and the united strength of both bodies might be exerted to keep down the rising hopes of the labouring population. Such an alliance already exists in France. In that country, while we find that the middle classes flourish and the peasants accumulate large sums of money, we find also that there is a vast mass of discontent among the operatives of the large towns. There is a perpetual feud between the owners of

property and that disinherited class which is nicknamed the proletariat. Is not this a dangerous and unstable condition of society? Let us recall for a moment the ideas which the owners of the soil have formerly had of their own importance. In the beginning of the eighteenth century, a Whig writer, Daniel Defoe, argued that "the freeholders have a natural right to govern the country, inasmuch as all other inhabitants *live upon sufferance*." This dependence of political rights on the ownership of land was virtually the theory of our Constitution up to 1832. It has now been overturned; but if a large body of small holders of land could be called into existence, something like the old theory might be re-established. The creation of a peasant proprietary has for a long time been a favourite middle-class idea in England; but it has never been proved that it would really be advantageous to the artisan and labouring classes. We must take care, too, that we are not deceived by false analogies drawn either from our own history or the circumstances of foreign countries. Occupying ownership may be the basis of a happy political system where land is abundant and has little value; but where it is scarce and has a high value, it may become the means of exercising a grinding oppression over the landless labourer.

We have not been able always to agree with Mr. Phipson, either in his economic doctrines or his practical proposals; but we must acknowledge that these volumes are at least a noteworthy sign of the humanitarian reaction against the harsher theories of the old political economy. The writer, too, has a strong faith in the power of Christian principles to overcome those great evils of modern industrial life which the so-called "dismal science" practically regarded as insuperable.

A. W. Roberts.

SHORT NOTICES.

ECONOMICS OF INDUSTRY. By Alfred Marshall, Professor of Political Economy in the University of Cambridge. [xiv., 416 pp. 3*s*. 6*d*. Macmillan. London, 1892.]

Not a few readers of Mr. Marshall's *Principles of Economics*, we take it, put down the book with a sense of mystification. Their feeling was akin to that of a traveller who has journeyed all the day over some high plateau, without an opportunity of seeing the lie of the ground, or the relations of the various places which he has passed. That the plateau was high they felt no doubt, but, at the same time, they were

painfully aware that they had not been impressed so much as they should. Any feeling of the kind is removed by this smaller edition of the work. A book more lucid and more thoroughly interesting from first to last we have rarely read. It would be a commonplace and not a compliment, to say that the reader is made to feel throughout that the writer has a thorough mastery of the subject; to this is now added the charm of a crisp and vigorous style, and a wealth of apt illustration.

That the problems of economics centre round value was put clearly enough by Archbishop Whately, but the truth has been greatly obscured by the conventional division of the subject, so generally adopted by later writers. Walker, with a somewhat irritating clearness, laid it down that the key to value is to be found in supply and demand. Mr. Marshall takes up the question at this point, and analyzes the conditions on which these two depend. This method of treatment brings in, as subsidiary to the main thesis, consumption, production, and distribution. The gain lies in the fact that his method introduces, for the first time, a real unity into the subject. Add to this, that he has carried the investigation into the various circumstances which determine demand several stages further than any previous writer, and we have here the principal debt under which he has laid his readers, and students of the science generally. It is probably only a question of time when his book is adopted as the main instrument of economic education.

It remains to notice the concluding chapter on Trade Unions, in which that thorny subject is handled with conspicuous fairness and scientific thoroughness.

UEBERSICHT DER GESAMMTEN STAATS- UND RECHTS-WISSENSCHAFTLICHEN LITTERATUR DES JAHRES 1891. Zusammengestellt von Otto Mühlbrecht. xxiv. Jahrgang. [254 pp. With an Appendix. 6 marks. Puttkammer and Mühlbrecht. Berlin, 1892.]

LITTERATURNACHWEIS ÜBER GELD- UND MUNZWESEN, insbesondere über den Währungsstreit, 1871–1891. Von Dr. Adolf Soetbeer. [322 pp. 8 marks. Puttkammer and Mühlbrecht. Berlin, 1892.]

These two publications are both examples of that careful attention to bibliography of which there is so much in Germany, and of which England and America can show so little. The first of them is a collection of the bi-monthly catalogues issued by its publishers—catalogues which differ from those of English booksellers in that they

attempt to include the names of all the books published during the period. It is preceded by a statistical table, from which it appears that 3765 works were issued in 1891 dealing with political and legal science, of which more than half (1900) were contributed by German-speaking countries, while France and English-speaking countries (including the United States) are far behind, with 652 and 497 respectively. In the mere number of publications the years 1884–1886 represent the high-water period of the last seventeen years. But the list must have been hastily compiled, for no Russian books appear, except in 1888.

While this book will be useful only to the librarians of great institutions, the second above mentioned will be indispensable to all who are studying the bimetallist question. The bibliography, which extends from the discovery of America to the present time, is divided into periods, each with a few words of introduction by Dr. Soetbeer; and there is an appendix on the present position. The bibliography for the earlier centuries will be especially useful to the collectors of early economic literature, though it seems somewhat uncritical.

DENKSCHRIFT BETREFFEND DIE ERRICHTUNG EINES CENTRALBÜREAU ZUM SCHUTZE DES URHEBER- UND DES VERLAGSRECHTES IN LEIPZIG. Von Otto Mühlbrecht. [31 pp. 8vo. Puttkamer and Mühlbrecht. Berlin, 1891.]

This pamphlet contains some account of the troubles caused to the German author and publisher by the want of a complete system of international copyright. The recent American Act apparently meets with even less favour in Germany than in England. The author says "Die copyright bill vom 3 März, 1891, ist in meinen Augen, soweit sie den deutschen Buchverleger angeht, ein wahres Monstrum, wofür wir uns bei dem famosen Zoll-Napoleon, dem Major McKinley, bedanken können, der seine Segnungen der potencirten Prohibitivzöllnerei auch auf des Gebiet des litterarischen Rechtes auszudehnen verstanden hat."

It is interesting, though somewhat saddening, to find a great German publisher contending that the only way to arrive at a more satisfactory state of affairs is to mix up questions of copyright with the grosser things commonly discussed in the negotiation of commercial treaties. The newest version of *do ut des* is, "You take our ideas, and we will take your pork."

WHAT ATTITUDE SHOULD THE CHURCH ADOPT TOWARDS THE AIMS AND METHODS OF LABOUR COMBINATIONS?[1]

WE want no attitudes. We seek for no appropriate pose. For we shall never fall into the right attitude for a situation while we are considering which attitude will be right. Such a consideration belongs to a cold and self-conscious outsider: it leads to something forced, formal, and unlucky. This, surely, is not the mood in which the Church should be approaching the problems of labour, nor this the atmosphere in which she will arrive at a happy result.

Besides, it is so very late in the day for her to be still employed in striking an attitude. Labour Combinations are long ago past their tentative and questionable stages, when it was an important matter for them how they should be received. It would once, no doubt, have been a subject of anxiety, what attitude the Church or the world would adopt towards them. And, moreover, it might have saved them many a trouble and many a serious blunder, and even some crimes, if the Church had struck a favourable attitude towards their methods and aims about forty years ago. But, as it is now, Labour Combinations are established, and endowed; they have long ago passed into the recognized fabric of the industrial system; they belong to the regular forces of trade; the lawyers and the judges have defined their privileges and their limitations; the economists have discussed and determined their range of activity, and their justifiable effects. They have become one of the facts which have proved their right to exist; one of the permanent conditions under which commerce will most certainly have to work. In the case of the older and stronger unions,

[1] Subject for discussion at the Folkestone Church Congress, October 4, 1892.

the hot blood and fever of their youth has long passed off, and they stand in no need of the cold water which outside advisers are calculated to administer. Their danger lies, possibly, in quite an opposite direction. There is already to be detected a fear lest they should acquire the complacent stagnation which besets ancient institutions. There is always a temptation that attacks those who, after hard fighting, have won their way out into peaceful and complete recognition—the temptation to be so absorbed in the memories of the brave battle once waged and now decided, that the active attention fails to cover, with compulsive acuteness, the pains and the perils which still encumber those who yet struggle darkly under the cloud of night. It is hardly likely that the working man should escape altogether a temptation which has reproduced itself at every stage of human history. And, in view of this, and of the friction now to be felt in labour questions, it might well be one of the primary duties of the Church towards Labour Combinations at this moment, to warn the older bodies against lapsing into a temper which has so often been fatal to her own advance; and to insist that those who have already secured the advantages of combination should refuse to be satisfied until those advantages have been extended over a broader area—to those who are still outside their beneficial action.

No! It is not the mood of one adopting an appropriate attitude that we should look for in the Church. Rather, it is the eager and active movement of one who instinctively apprehends what is forward, and comes forward with both hands to greet what is so intimately congenial to his own temper.

For a Labour Combination is, primarily, the recognition that not in the field of industry, any more than in the field of spiritual life, does any man stand alone. The conditions of his labour, the scale of his wage, cannot be rationally determined by any calculation that regards him as a solitary and independent atom. He, in his isolation, does not provide the factors and figures by which the sum can be worked out. For the industrial world into which he is admitted is a single whole, knit together, into coherent consistency, by bonds of most

delicate, and subtle, and manifold intimacy. It is built up by the intricate poise and balance of a thousand trades, all adhering to one another by the very force of their constant and continuous competition. In and out of one and all, the pressure of an ever-varying law of demand and supply never ceases its motive-action, shifting the parts, equalizing the changes, integrating the results. The rise, or the fall, of force in this or in that department of trade, makes demands everywhere over the whole organization. A readjustment of particles must proceed. Currents and counter-currents are compelled to form novel adaptations. Over the vast body of the world's commerce swift messages pass and repass, announcing a change here, an exchange there; a lapse, or an upheaval; a descent, or an advance; and, in a moment, the delicate equipoise of capital sets itself to meet and answer the new requirement. Something is withdrawn at one point; something is accumulated at another. The markets are all uneasy and restless, if this perpetual self-adjustment suffers the faintest delay, or frets against the slightest obstruction. The strongest eyes, the quickest brains, in every capital on two continents, are bent on this swift task, registering every quiver of motion which the unresting wires can report to them, redistributing the funds of capital according to the daily and hourly shiftings of the industrial barometer. We have but to glance down that appalling column in which the daily press records for our bewildered amazement the state of the money market, and even the least speculative and the most guileless of us can dimly gauge the enormous intellectual force that is being spent on this task of unification, by which the power and pressure which works the entire and immense mechanism of trade receives its incessant rectification, and is enabled to preserve its even distribution.

And it is into this whirling, whirring, wonder of a world that the solitary labourer is thrust. Each offer he makes, each bid with which he closes, sends rapid vibrations into remote and invisible regions. According to his acceptance or refusal of the sum proffered him for his services, the wage-earnings of all his fellow-workers in the industry stand or fall. Thousands of his

mates must come down to his price, if they are to secure or retain their engagements. He serves to set the scale at which they may suffer displacement. His act goes to determine the conditions under which the trade shall be governed: it tends to fix the standard of comfort, which that department of industry will permit.

Yet he knows nothing, in his solitary ignorance, of all this. He cannot cover, with his own experience, or insight, more than the few feet of ground where he stands. He cannot take any measure of the opportunities open to him; he has no possible material by which to form a judgment on what is due to him. He cannot know what the wide market of the earth will justify him in refusing. He has no conceivable hold on the currents of commerce, or of the directions in which they are running, or of the advantages which he may seize, or of the disabilities that he may incur. One thing only he knows—that he must somehow get through the week, or the day; that he must take anything that is to be had, so long as it staves off, for the moment, the menace of starvation, the terror of out-of-work. What chance has he, pitted, in his resourceless weakness, against the play of this gigantic mechanism, which is bound to grind out its logical results with that relentless tenacity and inevitable precision which belongs to all systems of law? We are always asserting the fixed necessity of these economical laws. Yes! They are as impersonal, and certain, and unqualified as is all mechanical action. How deadly, then, to come within the range of their activity, without any conception of their nature, or limits, or purpose! Yet this is what the uncombined workman is forced to do. He knows nothing of the game, or of the rules by which it is to be played: yet the stake that he lays down is his own physical well-being. He plays for his own life, and for that of his wife and of his children.

Now—is this the career which the Church is to encourage? Is this the course which it is to dignify with the high-sounding title of "Free Labour"? Free! What freedom can he win? How can he be free, who is bound to be at the mercy of his own immediate need—bound to be the victim of his own

ignorance? How can he be free who is never free to look before or after; and can never calculate what is coming, or what will befall him? How is he free who is forbidden to pick or choose his way? For, the pressure of hunger ever shuts him in; and every door is closed, but the one by which he is driven to pass under the threatening whip of Necessity. His outlook is for ever bounded. He is the creature of haphazard chances, which come and go by rules outside his reckoning. The bargains into which he enters are forced, *not* free; for he has no power to withhold his consent, having no resources in reserve. The best of every bargain must always fall to the one who can hold out longest. And he has no power to hold out at all; and must, therefore, have, for ever, the worst of it. The sole freedom that he possesses is the freedom to enter upon a scene in which defeat is his inevitable portion; for he goes, with the weapons of a savage, into the thick of a battle which the finest skill of civilized warfare has set in array; and into this he goes alone!

Now, can the Church hesitate, for a second, what her advice to such a workman should be, or what attitude she should adopt?

Must not every instinct of reason and of pity bid her call in his ear, with clamorous insistence, "Combine! Combine! Combine! You are pledged to combination. Your work is part and parcel of a vast and varied industrial machine; and you can no more handle it or direct it by your own individual wits or choice or decision, than a single worker in a great factory can play his part without regard to what his fellows are doing. Moreover, you have not the right to attempt it; for your clumsy ignorance hurts and menaces your mates. You cannot attempt the unequal conflict with the counter-interests against which you compete, without certain ruin to yourself and hurt to others. Your hasty snatch at your own individual and limited and partial freedom can only condemn you to an iron servitude." The whole spirit of the Church encourages and illuminates her, in pressing this advice. For she is herself the eternal pledge of the vital principle of Combination. She is the perpetual protest against the liberty that limits itself to one—the liberty of the solitary; the liberty of doing exactly what you, individually,

choose. She knows that any such claim to go your own way as if you were alone in the world, as if your own life could be estimated or interpreted in its isolated separation from its fellow-men, embodies the lowest and poorest and shallowest conception of liberty. She preaches that man can never rightly treat himself as solitary; that if he is forced to stand alone, he does so to his bitter damage, to his irrevocable loss; that his advance into freedom is measured according to the degree of his fellowship with others—according to his capacity to identify his own interests with that of a larger body. He only attains his proper liberty in combination. This is her assertion; her creed; her gospel. Why is it less true in the civil life than in the spiritual? Has this Heavenly citizenship no parallel in the earthly city—in the existence which is named, pre-eminently, social? Surely, the liberty of the Jerusalem on earth, must, in its degree, reflect the liberty wherewith we are to become members of the Jerusalem which is above? It is not probable that Combination is the watchword of the one; and Individual Isolation of the other!

No! Labour, which would be free, must be combined labour. Isolated labour means enslaved labour. The Church should know THIS by her native instinct. And, if she need to be reminded of it by an object lesson, there is one to her hand, which has been made, of late, plain and forcible enough. The ranks of the *sweated* are the ranks of the Uncombined. There, in those depressed and huddled swarms,—there, in the quagmire of impotence—there are your "free labourers." Each acts alone; and each, therefore, undercuts the other's standing-ground. Each wrecks the other's chance of withstanding the downward pressure of the competing powers. The true principle of competition, by which the market should be regulated, has ceased to work; the workmen have disabled themselves from exercising it by turning its edge against themselves. Through competition with one another, they have dissolved the capacity to carry on the needful competition—on which the well-being of trade, as at present constituted, depends—between Labour and Capital, between Supply and Demand.

This competition has broken down; for what competition is possible between these loose atoms, and the thrust of the organized and scientific forces which distribute the funds of capital? The area of sweatage is the area in which the workers, by their weakness, their ignorance, their isolation, have become unable to take their part in industrial competition; they have sunk below the level of force which is essential to all who would engage in this play of competitive powers. And they have so sunk, because they are uncombined—because they are unable to control or repress the individual action of separate and solitary labourers.

Combination would cure sweating. But, alas! here is the desperate dilemma. For how can a combination be effective where the trade is unskilled, or where the skill is so low and common as to be almost unlimited? Sweating begins where unionism ends; and unionism ends at the point where the less skill needful for the work makes its control ineffective or impossible. It cannot exclude the black-legs except by force, which is rightly illegal; and yet an unorganized industry, fed by a loose mob of indiscriminated individuals, is incapable of that intelligent and instructed and corporate action without which it is deadly to enter upon the tremendous game of competitive commerce.

How, then, is it possible ever to secure to unskilled labourers the benefits of combination? This is the burning question of the hour. It was this which gave such special significance to the Dockers' Union. It is this which has brought about the rise of the "New Unionism."

It is a question which must be patiently worked out by those whose problem it is. The Church has neither the skill nor the authority of herself to solve it. But in its solution she is bound to take the deepest interest, just because it affects the poorest, and least privileged, and least capable of all the working population. And she can, at least, help forward the solution by throwing her sympathy in the direction in which she recognizes the action of higher moral principles. She can help to raise in those forlorn workers the social conscience which may save them from committing themselves, as "free labourers," to a

policy of selfish isolation, which, though it may serve their momentary ends, must, in the end, condemn them, in the mass, to an interminable degradation. She may help men to understand that their acceptance of a wage serves to set the scale of wages for all about them; and that, therefore, they are responsible to others besides themselves for what they accept: and that others have a moral claim upon them. She can warn them, that, by acting as if each stood alone, to go his own way as he liked, they are ignoring this mutual responsibility for each other, and defying this moral claim; and that only through some form of concert or combination by which their own advantage can be made identical with the general good, can their separate action be brought under its true and natural law.

Such a recognition as this, of the principle of trade-unionism by the Church cannot, of course, imply that trades-unions have always been right. They are no more perfect than other human institutions. They have often blundered both in aims and methods. They have mistaken their powers; they have misjudged their tactics. They have to win slowly, as we all have, out of experience—an experience often sharp and bitter—the wisdom and moderation which should govern their operations. All we claim is that, in trades-unionism, we have touched a higher moral level than is reached by uncombined labour; that, in it, labour has, at least, risen above the condition of a disorganized chaos, which is the permanent fate of labour when uncombined; that in the extension, therefore, of trades-unionism lies our main present hope of securing for labour the means of becoming an ordered and intelligent affair; and that if, in any way, trades-unionism has faults of perversity, or class-narrowness, or wilfulness, or selfishness, our whole interest should lie in enabling it to free itself from faults which hinder its better success.

There can be but one serious objection to this; and that is, that the principle of trade-unionism accepts as inevitable the dualism of employer and employed. But historically, as a fact, industry is at present organized on this dualistic basis. Trades-unionism arose at the moment when the enormous development

of factories dissolved for ever the ancient bond between men and masters which was possible under the domestic limitation of the home trades. That domestic home trade gave to the workman the security and regularity which are the vital necessities of a moralized industry. But security and regularity ended for him with the growth of factories and machinery, and with the development of companies. He ceased to have a secured background, or to be sure of tiding over a period of non-employment. He became liable to the shift and the play of industrial forces that over-rode all human instincts. He found himself one atom in a nameless herd, far from the old home, swept and swayed hither and thither by vast currents of commerce that no individual energy could control, or foresee, or determine. He combined to secure for himself some foothold in this seething movement. And to-day, that very process which drove him into labour combinations is intensifying the need every hour. For the necessities of our immense trade compel, day by day, firm after firm to pass over from the condition of a private house to that of a limited company. That transition breaks the last bond that held between employer and employed. The employer, now, is the body of shareholders—a scattered swarm who are absolutely devoid of all personal connection with the men in their employ, who can know nothing of their condition, character, habits, wants, manner of life, wage. So the division sharpens, and must continue to sharpen. All trades-unionism is merely the recognition of what is, in the actual situation, inevitable.

But, then, if unionism is the acknowledgment of the severance, it provides, also, the way of bridging the division. For it, and it alone, can provide the machinery by which united action between the divided powers can proceed. Both sides have one interest—the furtherance of a successful business. And, moved by this common interest, they can come together in mutual agreement through Arbitration—through Boards of Conciliation. These, of course, are impossible, wherever your "free-labour" prevails. For free-labour means that the men have no cohesion; no power of arriving at a fixed proposal, or of entering

into an agreement. For this, they must have organs: a mouthpiece; representatives; officers, with authority to bind and loose: they must be a fixed, limited, organic mass, with a permanent identity, with an exclusive prerogative. This is what the Union provides. And this is one of its more urgent claims upon our interest. All our hopes for industrial arbitration or conciliation rest on the existence of strong Unions, covering the whole body of the workers. Through the action of such Unions, secure of their own position, controlled by trained officers who are conscious of the large issues at stake, and who are forced to face, in sober council round a table, the difficulties and problems of the masters, we may hope to see an end to all the vexatious and fretful restrictions on trade which suspicion may have prompted them, in the past, to impose; and, above all, an end to the disastrous miseries of strikes. Strikes are as hateful as wars. If we could see our way to their abolition by forming permanent and official boards of conciliation, to which all disputes could be referred for solution, such boards would still necessitate, as their primary condition, that the men are organized strictly into certified combinations, which have official authority to appear on their behalf before such a board, and can represent their collective interest, and pledge their consent. If conciliation be the most hopeful way out into industrial peace, then Unions are essential to its success.

Labour Combinations cannot, it is true, be looked to to solve all our difficulties. On the contrary, they fail to touch the most serious and terrible evils incident to our present system—the evils of the unskilled sweated population.

It may be that here we must look for stronger State action to step in and protect these lower masses against the disasters to which their impotence to combine renders them liable. It is the sense of this failure of voluntary combination to reach the worst, that has turned attention into a Socialistic direction of late. But those who most dread the enervating influence of a wide State Socialism should do their utmost to extend the area which voluntary combination of labour can cover. The one thing which has shown itself imperatively urgent is that, in

some way or another, industry should become organized. It cannot be left any longer to the chaos of chance—to the blind warfare of "free labour." It does not as yet appear that either co-operation or profit-sharing are ready to take upon themselves so immense a task as the general organization of industry, helpful and interesting as is their slow development. Trades-unionism, over at least all the vast range of the higher industries, offers far the strongest force by which some such immediate organization can be attained—and attained, not through the perilous mediation of a huge Government department, but through the vigorous educational energy which belongs to all voluntary action. So stands our case. And what I would earnestly plead for to-day is that no tales of the irritating and stupid blunders which trades-unionists have committed should be taken to obscure the first principles which we have laid down. No doubt, there are many such tales to be told. No wonder that employers have been nagged by the friction involved. No wonder that, in irritation at this or that folly, they have set to work to secure themselves against its repetition, by refusing to deal with the unions. But all this does not touch the heart of the difficulty; for it still remains that an unorganized trade is a demoralized trade: it opens the door to the sweater; it creates an unhappy population of casual workers, who will always abide at the lowest level at which life can exist.

What will you do to cure this? Whatever you propose, it must mean some form of combination which can, at least, moralize the worker by bringing him into line with all his fellows, towards whom he is responsible for the wages he accepts. It must harmonize his life, by securing him against the irregularities of trade, and enabling him to look before and after, without which man is not himself. It must give him freedom in the contracts he makes for his labour: that is, it must give him the same liberty to accept or refuse a bargain which the other party to it enjoys. By what form of combination do you propose to do this? And, if you have none that is level as yet with the gigantic task, then trades-unionism holds the field.

H. S. Holland.

THE PRESENT POSITION OF THE "SWEATING SYSTEM" QUESTION IN THE UNITED KINGDOM.[1]

IN February, 1888, a Select Committee of the House of Lords was appointed to investigate certain industrial conditions known by the name of "the Sweating System;" . . . and in April, 1890, the Committee presented its final report. The Committee found itself unable to afford any information as to the precise nature of the industrial phenomenon which it spent so long a period in investigating. Lord Derby, by whom, as chairman, this report was presented, has explicitly declared—"We endeavoured, on a Committee in the House of Lords, for some years, to ascertain what meaning attached to the word 'sweating,' and we never could find any" (*Evidence before Labour Commission*, June 18, 1891). As to the peculiar system of industry under which "sweating" is practised, the Lords notice the suggestion usually made, that "the sweating system" consists in getting work done by "sub-contractors," or "middlemen," in the following words:—

"It seems to us that the middleman is the consequence, not the cause of the evil; the instrument, not the hand which gives motion to the instrument, which does the mischief. Moreover, the middleman is found to be absent in many cases in which the evils complained of abound."

It might with truth have been added that, even if the conception of "the sweating system" as identical with "sub-contract," were consistent with the facts, yet this conception can hardly possess much scientific value, since no one has yet been able to discover the correct definition of "sub-contract."[2]

[1] Paper sent by request to the meeting of the American Social Science Association, at Saratoga, August, 1892.

[2] The question, "Is there a Sweating System?" is discussed in detail in *Methods of Industrial Remuneration*, by the writer of this paper. [G. P. Putnam's Sons, New York. Williams and Norgate, London. 1892.]

In regard to the evils comprised within the designation of "sweating," the Committee reported these to be—

"(1) a rate of wages inadequate to the necessities of the workers or disproportionate to the work done; (2) excessive hours of labour; (3) the insanitary state of the houses in which the work is carried on."

Their Lordships found the existence of these evils fully proved; they add, however, that,—

"as a rule, the observations made with respect to sweating apply, in the main, to unskilled or only partially skilled workers, as the thoroughly skilled workers can always obtain adequate wages."

The remedies proposed by the Committee for the cure of the evils of "sweating," fall into four main categories:—(*a*) "the extension of co-operative societies;" (*b*) "well-considered combination amongst the workers;" (*c*) legislative interference in respect to the relations between employer and employed; and (*d*) the regulation by the Government and by public authorities generally of the conditions under which the contractors engaged upon their work employ labour. . . . What the Lords meant by "co-operative societies" is not clear. There are a great many joint-stock associations of one kind or another carrying on business in the United Kingdom which claim to be "co operative." But if co-operation implies (as all economists agree in thinking) that the co-operative business belongs to, and is managed by the persons employed in it, these "self-employed" workers sharing the profits, then there are certainly not more than a score of co-operative societies in the entire country. The societies calling themselves "co-operative," as a rule, exhibit no trace of co-operative self-employment. These enterprises are not owned by the persons employed in them; these persons—the actual workers—are for the most part excluded from participating in the profits of, and are in many cases not even allowed to hold shares in these undertakings Some few of these unco-operative "co-operative" associations have done something to improve the position of the operatives affected by "the sweating system." Supplying cheap clothes, boots, furniture, etc., to the working-classes, and having formerly

been accustomed to purchase these articles from wholesale manufacturers who, in many instances, got them made up under "the sweating system," the associations now referred to have recently commenced to manufacture these articles in workshops of their own—workshops in which the conditions of labour are generally excellent. The total quantity of articles manufactured by these societies is, however, quite insignificant when compared with the great mass of goods still made up under "the sweating system." Several attempts to put down "the sweating system" by so-called co-operation have been initiated by philanthropists who have undertaken the business of the "sub-contractor," promising to make the workers a present of the profits. Many of these concerns fail altogether; a few struggle on with the help of charity custom; some claim to pay rather more than the current rate of wages; but none of them earn any profits. Several of the philanthropists, by whom these "co-operative" businesses have been carried on, have declared, as the result of their experience, that the services rendered by the "sweater," as organizer, are worth all that this "middleman," hard pressed as he usually is by competition, ever succeeds in earning. While the attempt to abolish "the sweating system" by charitable co-operation has met with scanty success, not more encouraging have been the results attained in those cases in which persons accustomed to work under "the sweating system" have, often with considerable guidance mostly of a futile character on the part of philanthropists, tried to put down "the sweating system" by co-operative production of a type more or less nearly conforming to the conception of co-operation entertained by the economists. The attempt to carry on co-operative production avoids failure seldom enough when made by workers high in the scale of skill and discipline; when this experiment has been made by the relatively low-grade operatives accustomed to work under "the sweating system," co-operation has only in very rare instances attained even the smallest measure of success.

The next on the list of remedies proposed by the Lords' Committee—trade-union combination—has been adopted by some of the workers whose case was brought before that body,

notably by the dock labourers of London. Since their great strike in August, 1889—a strike the success of which was due to the large pecuniary support received by the strikers from the public of all classes both in the United Kingdom and in Australia—the London dockers receive a rate of pay higher, as a rule, by about twenty per cent. than the rate formerly prevailing, and the irregularity of their employment has been not inconsiderably diminished. It is, however, proper to remark that the class of men now engaged in dock labour is superior to that which obtained employment in the ante-strike days; these men get more than the old dockers got; but then they also give more in exchange for their pay. As to the "casuals," so many of whom found precarious employment in the docks under the old conditions, this type of labour is rapidly being altogether eliminated, a very large proportion of the dockers now employed being engaged as more or less permanent workmen. It must be added that the various methods of employment which are called in relation to dock labour by the name of "the sweating system," although for a time abolished by the strike, have now in a great measure been revived; but are deprived of many of their most evil characteristics by the influence, still very powerful, of the Dockers' Union. Another instance of the success of trade-union combination is the victory gained by the men in the wholesale boot trade, who have succeeded, in London by a strike, in Leicester by negotiations, in compelling the manufacturers to have the greater part of their work done, no longer in outdoor workshops or in the homes of the workmen, but upon their own premises. By this vigorous action on the part of the English trade-unions the foreigners who formerly worked in London under "the sweating system" have thus been, for the most part, removed from the "sweating-dens" into factories, where they receive better pay and work much shorter hours than formerly. But much labour-saving machinery is being introduced; the imports of cheap boots from the Continent have increased, while our exports of boots have fallen off; and there is great dearth of employment and much misery among the boot-makers formerly employed under "the sweating

system." The tailors of foreign birth or extraction who work under "the sweating system" have come out on strike in both London and Manchester; but the concessions which they secured were retained only for a very brief period indeed. Their trade-union organization is absolutely ineffective; and their position to-day is, on the whole, in no material respect better than it was when their case was brought before the Select Committee. In the chain and nail trades there have been several strikes, the revolt of the workers in the nail-making industry being aided by generous assistance contributed chiefly by working-men in other trades; and the position of the workers exhibits a certain degree of improvement;[1] but the industrial conditions complained of under the name of "the sweating system" are still widely prevalent. In the Sheffield hardware trades an improvement, due to more effective trade-union organization, has taken place in the position of the file-cutters; but the workers in the various branches of the cutlery trade brought to the notice of the Lords' Committee appear to be no better off now than formerly. With respect to the other classes of persons working under "the sweating system" whose position was investigated by the Committee, such as the trouser-makers, shirt-makers, furriers, cabinet-makers, etc., etc., it may be said generally that these people have taken no steps, or no effective steps to combine against oppression.

With regard to the remedy of the evils incidental to "the sweating system" by legislative interference in respect to the relations between employers and employed, very little has been attempted. The principal modifications in the law effected since the Lords presented their report are those contained in the Factory and Workshop Act, 1891, and the Public Health (London) Act, 1891. By these statutes the duty of enforcing the maintenance of cleanliness, the provision of proper sanitary accommodation, and the avoidance of over-crowding in workshops (*i.e.* places in which no motive power is used) as distinguished from factories (*i.e.* places in which steam or other

[1] Since the above was written, the chain-makers, after an unsuccessful strike, have had their wages reduced.

power is used, and certain large works, such as foundries, glass-works, etc.), which was formerly cast upon the local sanitary authorities concurrently with the factory inspectors, and was usually performed by neither, is imposed primarily upon the local authorities. It is too soon to judge whether these authorities intend properly to fulfil this obligation.[1] In East London, at any rate, little has as yet been done by the local authorities; and the over-crowding of the workers, in particular, is still a widely prevalent characteristic of the "sweating-dens" which abound in that region. Although the factory inspectors have no longer joint control with the local authorities in these sanitary questions, they are to give notice to these authorities of all sanitary defects observed by them in workshops, and also of the opening of every new workshop; and if the Home Secretary has reason to believe that the local authorities are not duly supervising the sanitation of workshops, he has power to direct the factory inspectors to take action. In London the County Council has power to act, if any local authority fail properly to carry out this supervision. Neither of these powers has, as yet, been exercised. So far as regards the regulation of the hours of labour, the factory inspectors retain full responsibility. In London the medical officer of each district is to give notice to the factory inspectors respecting every child, young person, or woman whom he finds to be employed in a workshop. If the sanitary inspectors, working under these medical officers, were to make an efficient visitation of the districts in which "the sweating system" is prevalent; and if the factory inspectors were to receive full particulars of the persons found employed in the workshops of the "sweating-masters" as this law provides, then the work of these officials would be made easier. Whether this will happen remains to be seen. Another provision tending to facilitate the detection of overwork in the haunts of the "sweaters" is that which gives the Home Secretary power to compel every employer, whether "manufacturer"

[1] In some few instances, notably in regard to the Cradley Heath chain-makers, a considerable improvement in the sanitary condition of the workshops has taken place since the Lords' Committee sat.

or "sub-contractor," to keep and submit to inspection, either by a factory inspector or a sanitary inspector, a list of all persons employed by him outside his factory or workshop, and of the places in which such persons work. This power has, by an Order coming into force on August 15, 1892, been exercised in relation to the manufacture of articles of wearing apparel. But little, however, can be hoped from the action of the factory inspectors at present assigned to the districts in which the "sweating-dens" abound; for their number is quite inadequate efficiently to carry out the inspection of these innumerable scattered rooms, garrets, and cellars. The Lords' Committee recommended that women and girls should be prohibited by law from using a particular description of heavy sledge-hammer used in nail-making, and from making chains above a certain size. But the Legislature has confined itself to empowering the Factory Department, in cases in which the Home Secretary is of opinion that physical danger or injury exists, to make special rules dealing with the matter. So far as the nail and chain-makers are concerned, the women and girls are, up to the date of writing, using the same heavy hammers and making the same thick chains as at the time when the Committee made its report; nor, it is believed, has the power last referred to yet been exercised in any instance.

The recommendation of the Select Committee, that public authorities should compel contractors doing work for them to get this work done under proper conditions, has been widely adopted. Already, before the Committee's report was presented, the Government had taken steps to insure that its clothing contractors should get the garments supplied for the army made up in factories belonging to themselves, no work being sent out-doors to be done, and had fixed a scale of wages to be paid by its harness, saddlery, and accoutrement contractors for certain classes of work previously very ill-paid, at the same time preventing these contractors from getting any work made up under "sub-contractors," unless expressly allowed to do this. In February, 1891, the House of Commons passed a resolution recognizing—

"the duty of the Government in all Government contracts to make provision against the evils recently disclosed before the Sweating Committee, to insert such conditions as may prevent the abuse arising from sub-letting, and to make every effort to secure the payment of such wages as are generally accepted as current in each trade for competent workmen."

This resolution has been, on the whole, well carried out by the Government, which in some cases altogether forbids "sub-contract," in others forbids "sub-contract" except where customary in the trade, and in the remainder forbids "sub-contract" except with the express consent of the department concerned; and in all cases insists that all persons employed shall receive current rates of wages. Many public bodies (including some of our most important municipalities) now require their contractors to pay full current wages (the rates recognised by the trade-unions being generally accepted as the standard), and forbid "sub-contract" except in cases in which it can be shown that "sub-contracting" is proper, and will not lead to the oppression of the employees. That by means of the restrictions imposed upon contractors by the State and other public authorities the earnings of a considerable number of workers, including some of those accustomed to work under the "sweating system," have been improved is certain. It would, however, be incorrect to allege that these restrictions have effected any very marked or widespread improvement in respect to the evil industrial conditions investigated by the Lords' Committee.

To sum up. The position of the workpeople employed under "the sweating system" is, save in a comparatively small number of instances, no better to-day than it was when, more than two years ago, the Select Committee upon "the sweating system" made its final report.

David F. Schloss.

CO-OPERATIVE CREDIT-BANKING IN GERMANY.

CONSIDERING the extraordinary development to which co-operation has been carried in this country, with the most signal success, it can scarcely fail to strike one as just a little strange, that in its most immediately beneficial application, the raising of cash, the co-operative principle should never have been impressed into service among ourselves, except, quite recently, in the most timid and tentative of ways. In no country is the value of capital for productive purposes more fully appreciated than in Great Britain. In no country, at the same time, is a keener interest manifested in the welfare of the poorer classes. In respect of provident institutions, no less than of co-operation for purposes of supply, we probably rank first among the nations. And yet it seems never seriously to have occurred to any one in these islands to make thrift and co-operation serviceable for the creation of that valuable working capital, for the want of which so much of our labour remains idle, so much of our manhood is driven to want, or else to new homes. On the Continent, Co-operative Credit Banks have become a familiar, a most beneficent, institution. By common consent their original birthplace and cradle is Germany. There they first struck root. From there they are now sending forth their shoots across the entire Continent. With their first foundation the name of Schulze-Delitzsch — not unfamiliar, probably, even to English ears—is certain to be permanently associated. His Credit-Banks have undoubtedly done good service, and, more particularly, excellent pioneer's work. But there are other co-operative banks in Germany, which under the testing of time have shown themselves possessed of even better qualities, having attacked the difficult problem of bringing relief to chronic want at the most unpromising point, and

having succeeded magnificently. Accordingly, these banks, named after their originator, Herr Raiffeisen, have now become the popular favourites.

My own attention was first called to these banks—with the Schulze-Delitzsch Associations I had been acquainted since the sixties—in connection with an inquiry in which I engaged a few years ago, into the system of peasant proprietorship, as applied to very small properties, which prevails throughout the western half of Germany.[1] The small peasantry system I found—on incontestable data—to have worked exceedingly well. But it had had one bitter foe standing relentlessly in its way. For a long time its success had been not a little hindered by the want of capital, even for very small outlays, which drove the poor cultivators into the hands of extortionate money-lenders, who have proved a veritable pest to that particular part of Germany. That hindrance is now, however, being successfully and completely overcome. The "Loan Banks" are turning the usurers, vanquished and defeated, out of the villages in shoals, and raising up prosperity as with a magician's wand. One remarkable feature of the reformatory economic work accomplished is, that its good results were practically all conjured out of nothing. It has been credit, not money, which has built up the splendid fabric. It is no wonder that the system is being copied elsewhere—that Austria has readily adopted it, that Switzerland and Italy, to a moderate extent even Russia, have transplanted it upon their own soil; and that Belgium and France are at any rate grafting its best features upon their own local credit institutions.

The bare idea of co-operation as a remedy for poor folks' financial wants is not altogether new. For centuries the Spaniards have had their *compañia gallega* and Portuguese their *sociedade familiar*, which practically convert the family into a co-operative joint-stock company, bound together by common liabilities and endowed with continuity of existence. That makes lending a very much safer process, and accordingly

[1] The results of that inquiry were very briefly summarized in a paper appearing in the *Contemporary Review* of May 1891.

reduces its terms—besides furnishing an additional motive for thrift. Many a small sum is now laid by, in virtue of a common interest created, and contributed to the common stock, which would otherwise have been frittered away upon drink, or finery, or other unprofitable nothings. Other attempts at making the faggots of poor men's sticks do the work of the capitalists' powerful beams have been ventured upon elsewhere. But all these experiments were but rudimentary beginnings, tentative feelings of the way, and timid gropings after something better.

It was reserved for Herr Schulze-Delitzsch and Herr Raiffeisen —both Germans, placed by Providence in two different parts of their common country, and endowed with very different qualifications for their task—to solve the problem which had perplexed generations, by devising means by which co-operation could be turned into a popular mint,—both about the same time, and fundamentally in the same way. Herr Schulze-Delitzsch's "Credit Associations" were the first to achieve a triumph. Their founder was a man who seemed cut out for the part of an economic evangelist, and his new gospel carried the country as by storm. "Credit Associations" multiplied apace, until they were numbered by thousands, and dealt in millions, lending and borrowing, stimulating trade, and encouraging economy, and thriving to an unexpected degree. In the course of time, however, though in the aggregate they rendered excellent services, they showed themselves possessed of some rather serious blemishes. Their founder had, in his anxiety to make sure of success, fallen into an error into which we "dividend-hungering" English are quite as likely to be betrayed. He knew that he must have money for lending, and he knew that he must have ability for administering. And he had not sufficient faith in co-operation alone, with philanthropy to back it, to supply these. So he tried a system of baits and bribes, in the shape of high dividends and commissions on transactions. It was like our early constructors of railways refusing to trust to steam and smooth rails alone—adding "cog-wheels" for the sake of a "grip" not at all needed, and laying down their lines deliberately in curves, so as to provide an artificial "impetus"

which was by the particular expedient adopted rather checked than furthered. It does not lie in our mouth, as a nation, to find fault on this score with the German co-operator. For in some of our large supply associations we have done precisely the same thing. Only, the difference is this, that, in dealing with goods, our associations act on comparatively safe ground, lessening indeed the co-operative benefits to outside members, but not incurring any serious risk. In dealing with money, on the other hand, the adoption of the practice objected to must in the end necessarily prove fatal. For dividends to lenders must of necessity mean less favourable terms to borrowers—for whose benefit in truth the associations were designed. And commissions on business, worst feature of all, must as necessarily lead to a disposition to look carelessly into security and engage, rather than be idle, in hazardous business. Things happened just as might have been anticipated. The Schulze-Delitzsch Credit Associations went on flourishing prodigiously for a time, after which came a period of failures and collapses. They are accordingly now "looked upon with suspicion"—these are Sir E. Malet's words—even in their own original home, and are being in many parts replaced by banks of a safer constitution. The Schulze-Delitzsch system has shown itself possessed of other more or less serious defects. Proceeding on a mistaken principle, it grants loans only for short periods, thereby cutting off from its custom the large class of peasant cultivators, to whom a three months' credit is no boon whatever. Moreover, it favours investments on what may in the end prove rather dangerous security—mortgages, and bills of exchange, and values of that sort,—and, in conclusion, it permits, for the sake of profit, ordinary banking operations, which ought to lie altogether outside the range of pure co-operative credit-banking. When to all this is added the stimulus of commissions on transactions, it is not surprising that many an association should have come to grief.

All the dangers referred to have been happily avoided in the great rival system, which has succeeded where the other has failed, and is now, after a trial of forty-three years, setting

up its counters all over the Continent amid the benisons of governments, of philanthropists, and of poor folk. The present head of the institution, Herr Raiffeisen, can make it his boast that, although the associations founded on the principle laid down by his father have now increased to above a thousand, and though they have lent away millions of money, *never yet has a single farthing been lost either to member or to creditor*, and that it is indeed quite inconceivable how a penny can be lost, so long as the rules laid down are conscientiously adhered to. I may at once explain that the two systems named practically cover the whole ground of co-operative banking in Germany. There are associations, and not a few of them, working on ostensibly independent lines. But their principles are in every case mere adaptations of the principles laid down severally by Schulze-Delitzsch and Herr Raiffeisen. And they are successful in the precise degree in which they approximate to their model. Of the success of the Raiffeisen Loan Banks there can now be no question. It is freely acknowledged by all who are interested in the matter, and not least so by the vast body of poor people —small tradesmen, servants, petty officials, and day labourers— whom they were founded to benefit, and whom they have given an opportunity of proving once more—what ought to serve as an encouragement to co-operators contemplating similar work elsewhere—that poor working folk are, as M. Josseau puts it, of all people the safest to be trusted with money, inasmuch as they have proved the most conscientious in repaying it. Accordingly Governments are everywhere befriending the Banks. The late Emperor William, in 1876, caused an inquiry to be instituted into their working, and confessed himself so much pleased with the result, that he at once made over to them a grant of £1500 from his privy purse. To that gift the present Emperor has quite recently added another of £1000. In Bavaria and in Austria alike the Governments have readily voted money, where such was wanted, to facilitate the establishment of these useful institutions. In Italy, co-operators are actively at work, under the guidance of Signor Leone Wollemborg, planting "sets" of the German plant. And, in France, economists like

M. Louis Durand and Father de Besse are holding them up as patterns to be imitated by local institutions, which, in spite of a considerable amount of money set apart for their service, have not proved altogether successful.

The story of the spread and growth of the Raiffeisen Banks, from their humble inception to their present powerful command of the market, is not without economic interest. They began, as a veritable grain of mustard-seed, with a puny effort, supported by a paltry loan of £300. Our own Rochdale Pioneers, it is true, started with a smaller stock still; but that stock was their own. Herr Raiffeisen had to rely upon extraneous help—and perhaps he preferred doing so. For his idea is, that *credit* is the object of a co-operative bank, rather than *funds*. That poor little first colony of his, planted in the wilds of the famine-stricken Westerwald, where people live on potatoes and coffee, and have nothing to depend upon but their little patches of barren sand and very intermittent employment at day wages, now possesses a reserve fund of fully £2000, towards which its members have consciously never contributed a penny. That little co-operative community began life as an ordinary supply-association with very modest means. In 1846 and 1847 Germany was visited by an exceptionally severe famine, which pressed with especial harshness upon the resourceless Westerwald. The poor people of Flammersfeld, who had Herr Raiffeisen at the time for their burgomaster, were handed over defenceless to the pitiless exactions of the village usurers, who sucked them dry without compunction—more especially in the purchase and supply of cattle, which was in truth the only negotiable commodity known to the poor villagers. Herr Raiffeisen stepped in. With the help of a little borrowed money (which was only later increased to the £300 mentioned), he established an association for the co-operative supply, at first of food and victuals—by the help of which the villagers were enabled to purchase their bread 50 per cent. under bakers' prices. Next he extended its operations to the purchase and supply of cattle, which proved in the result an even greater benefit. Co-operative supply of cattle has since then become a standing institution on the Continent.

It is carried on, more particularly, with remarkable success by the *Caisses Thurgoviniennes* in Switzerland, which operate exactly on Herr Raiffeisen's lines, drawing, however, their resources from communal funds, voted for the purpose by the inhabitants—as they might here be by County Councils. From the supply of cattle to the supply of money was but a short step. Herr Raiffeisen ventured upon it. Timidly and tentatively was the work begun. Slowly did it make its way at first. It was not till 1854, when Herr Raiffeisen was removed as burgomaster to Heddesdorf on the Rhine—and, of course, set up a fresh "Loan Bank" in his new district—that the "Flammersfelder Hilfsverein" found a fellow. Not till 1862 was a third association formed; not till 1868 a fourth.

The public watched the experiment at first coldly. Soon, however, its interest began to warm. But it held back cautiously, waiting for the verdict of experience. Not till 1880 did the Banks really begin to multiply. But then they increased so rapidly, that from 245 in 1885 their number grew to 423 in 1888, to 610 in 1889—and now, as observed, there are more than a thousand. So quickly do they continue to spring up, that sometimes one day sees as many as five added to the roll. And so safe are they esteemed, that public banks lend to them, when lending is required, at the lowest rate of interest, and are glad to have them for borrowers. In the years of crucial testing of German credit institutions, the years of the wars of 1866 and 1870, the Raiffeisen Banks then existing were not asked, but importuned, to take people's money, on their own terms—though that should be without any interest at all.

The reason of all this success obviously is, that the result has shown Herr Raiffeisen to have been right in restricting his aim, from the outset, to what may be called philanthropic co-operation—the provision, that is, of aids to thrift, and the granting of cheap loans—dismissing from his mind all thoughts of profit, and insisting on absolute security. He grounded his work exclusively upon co-operation, deliberately rejecting all adventitious aids, and rigidly prohibiting all risk. Herr Schulze-Delitzsch shook his head at this bold measure. But the event has amply

justified its wisdom. Experience has proved that capital does not require bribes to attract it to a sound investment. Its treasures are freely forthcoming without the temptation of large dividends. The problem now rather is, to dispose judiciously of the money procured than to obtain more. Experience has also made it clear that the administrative assistance required is generally to be had, even though pecuniary emolument be so strictly forbidden that not even a dividend is allowed, much less a commission, and a salary only to the cashier—who is, of course, entitled to one, but who has no say whatever in the disposal of funds. Otherwise the administration is expected to be purely gratuitous.

The primary difficulties to be met were, of course, great. For money had to be raised, mainly by loan, in what may be called the open market, on behalf of a constituency which had little or nothing to pawn, but which was to be supplied freely, cheaply, and without any pressure, for long periods. A small amount of funds was, in many cases, provided by shares; in course of time savings banks and a reserve added to the available store; but, in the first instance, all money-raising had to be done by borrowing. The leading idea was, that every one who was considered trustworthy should be supplied with money for any outlay which would repay itself either by new profits or else by economy; and that the debt was to be repaid out of the proceeds, and not otherwise. To charge other sources of income with repayment would be, Herr Raiffeisen held, not to help, but to hinder the borrower; to cripple, not to add to, his resources. Accordingly, loans would have, in many cases, to be granted for long terms. A peasant, borrowing money to manure his crop, could not be expected to pay till that crop was reaped and sold. If he raised money for draining a field, he must be allowed correspondingly longer credit. And if he wanted to reclaim a field or build a barn or a stable, the time would have to be still further extended. Terms of from five to ten years are, accordingly, nothing unusual; and loans have been granted even for longer periods. Only, Herr Raiffeisen insists that no encouragement whatever shall be given to mere improvident, thriftless borrowing. Not a loan is granted

without severe scrutiny alike of its object and of the borrower. The dominant feeling in every case is *against* lending, altogether on the side of caution. And, in the second place, the associations are inexorable in respect of punctuality, exacting interest on the very day, and repayment of capital, in the case of loans granted for a year or more, by regular instalments. Not only does this materially simplify business, but it has the additional advantage of training up members in business-like habits.

However, before all these stipulations could be insisted upon, the money had first to be raised. With an indefinite, possibly very large, demand to provide for, with no initial means available, and with the condition pronounced a necessity, that the money lent, and therefore to a still greater degree the money borrowed, must be cheap, ordinary methods of borrowing seemed inadequate, and a method of rather exceptional character had to be resorted to. That method was found, after much reflection and weighing of arguments, in *unlimited liability.* Now, there is an ugly ring, I know, about "unlimited liability." The Germans at first kicked against it, as our countrymen are likely to do, and for a considerable time the device proved a serious stumbling-block. However, Herr Raiffeisen is not the only co-operator who has come to the conclusion that in Germany, at any rate, no other method is admissible. Herr Schulze-Delitzsch accepted it as fully. And from the fact that of 3,467 co-operative credit associations in existence in Germany, in 1890, there were but forty-one with limited liability, and of 6,777 co-operative associations in all only 181, it may be inferred that public opinion has become generally reconciled to the principle. The co-operative credit associations with limited liability, I may explain, are not only very few in number, but also restricted in their business to a very limited area. In truth, experience has shown that not only is unlimited liability perfectly safe, if protected by proper safeguards—which practically make it limited,—but that, for credit associations of the popular type desired, it constitutes a direct benefit, and, indeed, almost a necessity,—a *necessity,* because by no other means is a security to be provided which to the lender appears absolutely inexhaustible: a security which

has been calculated to exceed liabilities twenty, and fifty, and a hundred times; a security which never admits of so much as a doubt arising in a lender's mind as to its sufficiency. A *benefit* unlimited liability has proved to be, because, of course, it sharpens the sense of responsibility not a little. *Caution* is to be the watchword throughout—caution in the admission of members, caution in the granting of loans, and caution in the investment of money. There is nothing calculated to insure such caution like unlimited liability. On this ground Herr Raiffeisen declares that even had Credit Banks been possible without unlimited liability, he would still have adopted that principle by preference. There has also been found to be this advantage in unlimited liability: it prevents co-operative associations from degenerating into mere lending bodies for profit; it keeps them straight in the co-operative path. In France, many limited liability associations have, in course of time, been seen to grow more and more exacting; the shareholders hungered for dividends; in the end the associations converted themselves into joint-stock companies pure and simple, *companies anonymes,* lenders for lucre—"an old friend with a new face." Looking at things in this light, it is not surprising that, three years ago, the annual general meeting of delegates of Raiffeisen Banks unanimously resolved to adhere rigidly to the "unlimited" principle.

Of course, in return for the blank cheque given by those who have to bear the brunt of the liability, ample safeguards had to be insisted upon. The liability falls chiefly upon the wealthier members, who are not themselves likely to require credit, but without a sprinkling of whom, at any rate, Herr Raiffeisen judges no "Loan Bank" to be advisable. Some little backbone of visible solvency there must be. The French and Belgians have tried to protect the wealthy by grouping members in two distinct classes—capitalists, *membres fondateurs,* as they are called, on the one hand; and intending borrowers, *membres effectifs* or *sociétaires,* on the other—each class with different obligations and different benefits. Herr Raiffeisen deliberately rejected this method. He will allow no distinction between rich and poor.

Member is to be member, no matter what be his property. As a matter of fact, persons of the wealthier class, though attracted by no prospect of gain, have shown themselves everywhere ready to lend their help; and in the associations formed on this democratic basis it is reckoned a particular merit that they have proved remarkably effective in drawing classes together and creating sympathy between them. Since it is manifestly to the interest of associations to have wealthy members among them, these men are never likely to have their work made difficult for them by resistance to their wishes in the matter of caution and security. On the two governing bodies, the small "Committee" (of five) and the larger "Council of Supervision" (of from six to nine), it is understood that they shall always be in a majority, though not in sole occupation of the seats. The supervision exercised is extremely searching. Practically not a penny can be voted away without the *placet* of those on whom the main responsibility must fall. And if they disapprove of the bestowal, they are free to resign at once and be quit of all liability. (For past acts of the association, all liability ceases *ipso facto* on the lapse of two years.) Moreover, the associations are on principle very careful in their selection of members. They have to be so, because, the security given being purely personal—the borrower's note of hand with one or two sureties to back it—what bankers call "character" is essential. It is not every one who is admitted. Hence the peculiar educational value of the association, to which I shall have to refer. Were the liability not really severe, admission would probably become a purely complimentary act. Unlimited liability makes it a very different matter. A very essential safeguard, beyond this, is provided in the strict control which the society reserves to itself over the disposal of the money borrowed. It is borrowed for a distinct purpose, which has to be stated, which is inquired into, and which has to be adhered to. If the outlay does not promise to prove remunerative, the loan is simply refused. The money is borrowed, moreover, within the limits of a society which is advisedly not made very large. Large associations and large districts have been tried in France, and also in Belgium, and

have in both cases been found to work badly. According to Herr Raiffeisen, the ideal area for an association is the parish. If the parish number less than four hundred population, however, it is, as a rule, judged preferable to group two together. In so circumscribed a district the borrower and his affairs are, as a matter of course, perfectly well known. His neighbours, who are practically his guarantors, naturally watch him. And if he deteriorate in moral character, or become negligent in his work, or thriftless in his way of living, they are sure to take note of it. And, over and above all this, the association reserves to itself, *in any case*, the power of calling in the loan, for whatever term it may have been granted, at any time, simply by giving four weeks' notice.[1] On the face of it, this power is not likely to be exercised, save in quite exceptional cases. In real fact it has been scarcely exercised at all, which just shows its value as a birch rod kept upon the mantel-piece. But the power which it represents, the associations insist upon retaining. Every few months the Council of Supervision meet to overhaul searchingly all business, to check the action of the Committee, approving or disallowing, as they deem fit; to pass in review the status and character of borrowing members—run over, so to speak, the *castelletto*, and inquire how far the solvency and title to credit of borrowers and of their sureties has improved or deteriorated; and if, in their opinion, the margin of security should appear to have become dangerously narrow, to call in the loan at once.

One praiseworthy peculiarity of the Raiffeisen Banks is, that they allow no "sharing out" whatever. However cheap loans be made, for security some margin has to be allowed, which in course of time results in a surplus. That surplus, it is insisted, shall accumulate as a reserve. Prince Bismarck, in his meddling Act of 1889, tried to overrule this—just as he tried to interfere with other rules of the association. But Herr Raiffeisen

[1] The Prussian Government have, in imitation of the "Loan Banks," claimed the same power for their new *Rentenbanken*, formed about nine months ago, to enable small country folk to acquire holdings and convert them in course of time into freehold. A similar provision has also been adopted in the rules of the Dutch Loan Banks, and of many of the German Public Savings Banks.

has deftly driven his "coach and six" through every clause of the hindering Act. His ideal association is an association absolutely without shares, raising money only upon credit, without dividend, and without distribution of profits. However, Prince Bismarck has ruled that there shall be no association without shares. This means that the man who joins because he wants to borrow, is to begin by paying down some money which he has not got. Herr Raiffeisen has met the provision by making his own shares as small as they possibly can be made—rarely exceeding ten or fifteen shillings. Again, Prince Bismarck has decided that in every association there shall be a dividend. Herr Raiffeisen's members have met this by voting away their dividends once for all to what I may call two different reserve funds, leaving only sixpence over, which is paid as subscription for the publication of the society—in which, by the way, the annual balance-sheets of every association have to be published. In the third place, Prince Bismarck has enacted that every ten years members of associations shall decide what is to be done with the accumulated reserve. Herr Raiffeisen's members have made it a standing order that not in any case shall the reserve be divided. Of course it grows. In many associations it has by this time become considerable. In more than one instance does it already exceed £2000. But not even if the association were to be dissolved, is this fund to be "shared out." Its first use is, to meet any losses for which only with hardship could an individual be made responsible. Its second use is, to replace borrowed capital, and so cheapen loans still further. And, in the last resort, it is to be applied to public works of a useful character, for the benefit of the peculiar locality. Should an association be dissolved, it is provided that the reserve fund shall be lodged with some public bank of acknowledged standing, to be there held until a new association is formed, under the same rules, and in the same locality; and, failing that within a reasonable time, to be applied to some useful public work.

Thus, it will be seen, from beginning to end, the one principle running through the whole scheme is co-operation pure and

simple, fenced in with rules of the strictest caution—to the exclusion of any concession to private cupidity.

As the associations multiplied and their funds grew, new uses were found for the means at their disposal. Above all things, local savings banks were established at all points, with the adoption of penny cards—like Mr. Fawcett's,—answering the double purpose of encouraging thrift, and providing the funds required. In some cases the local savings banks now actually provide all the money that there is a demand for. In some places the savings banks even have money over. Everywhere they seem to be special favourites among the small folk. Next, the associations took in hand, in wine-growing districts, the common sale of wine—advancing money, if necessary, on the cellared store; in dairying districts, the co-operative sale of dairy produce, to the material benefit alike of members and of customers, who can make sure of buying unadulterated goods. Later it was found desirable that local associations should combine, for the purpose of wider co-operation, into provincial unions, and provincial unions into a central union. In course of time, in 1876, it was found practicable to establish a Central Bank, in which the affairs of the various associations are now practically focussed. That Bank has not only become a body of influential commercial standing, but has, moreover, proved of immense utility to the associations for which it acts. It receives moneys from them on deposit, and again lends to them whatever they require. On deposits it allows $3\frac{1}{2}$ per cent., which is, if anything, a trifle higher than the rate allowed by savings banks. In return, it lends at the rate of $4\frac{1}{2}$ per cent., plus $\frac{1}{10}$ per cent. commission, enabling local associations in any case to lend to members at the rate of from $4\frac{1}{2}$ to 5 per cent., which is low for Germany. As a rule, in the Central Bank, supply and demand pretty closely balance. Should the demand be excessive, the Bank can always raise money cheaply by borrowing from the larger public banks. The Bank is constituted as a limited liability institution, with a capital of 5,000,000 marks, subscribed in £50 shares, on which only £5 is paid up. Associations may join or abstain, as they please. As a matter of fact an

overwhelming majority have taken up shares. The balance is held by private individuals. The Bank does a large business at an insignificant cost. In 1889 its turnover was £400,000, its expenses were only £400; in 1890 the turnover rose to £500,000, and the expenses did not exceed £450—whereas the profit realized amounted to about £470, after paying expenses. As in the Associations, so in the Bank, neither dividends nor profits are permitted. Whatever surplus there is goes to the reserve, which in 1890 stood at 103,404 marks (or shillings). A further, most useful, central institution is the Trading Firm "Raiffeisen and Consorten," which negociates co-operative purchases for associations or members. Local associations are not in a position to do this; for they must not trade. Out of its profits the Raiffeisen Trading Firm pays for the society printing, for travelling expenses of auditors and actuaries, establishment charges, postages, meetings, etc., and every year has a balance over to go to the reserve fund of the Central Bank. The supply work of the Trading Firm, once it gained a footing—until recently agricultural co-operative supply was very backward in Germany—grew to be extensive. In the year 1889 the Firm bought seeds, manures, implements, coals, etc., for members to the amount of about £300,000; in 1890 to the amount of £400,000; and in the year 1891 there has been a further considerable increase, the amount of which was not yet accurately ascertained when the figures were furnished to me. All this business is pure cash business. The Trading Firm sells to the Bank for cash; the Bank hands over the goods to the local associations, likewise for cash. And all the lending that is done—if there is any done—occurs between the local association and their members, not by way of credit for goods, but by way of specific money-loans, voted upon by the local committee, and repayable by each member in the ordinary way. Further developments of this system are in progress; others are contemplated. A Co-operative Fire Insurance Association is now in course of formation. A Cattle Insurance Office is contemplated. Further new moves lie in the more distant future.

By such means as those described, out of the small beginning

in Flammersfeld, ventured upon by a few philanthropists and a handful of poor cultivators, has been raised up a colossal fabric of already more than a thousand associations, with probably close upon a hundred thousand members and an annual turnover, apart from about half a million's worth of goods supplied, of two or three millions of money lent, with a network of savings banks, and a reserve steadily growing, and promising to become a truly impregnable rock of financial solvency. All this has been created out of nothing. And in this large appa ratus of credit, which is rapidly growing still larger, never has a penny been lost, never has an association failed. There have been some failures to repay loans, of course; and there have been in all ten defalcations. But all deficiencies arising from such causes have been met out of the estates of the defaulting parties or their sureties, or else out of the reserve, without making any noticeable inroad upon the latter.

For the aggregate number of co-operative credit associations of all descriptions established in Germany, of course the figures stated have to be materially added to. According to the last published report (which is very fragmentary) the number of co-operative credit associations existing on 31st of May, 1891, was 3910, as compared with 3467 in 1890. Of that number only 1072 had furnished returns of their transactions. Their roll of members comprised 518,003, mostly poor folk—peasants, postmen, working men, tradesmen's clerks, artisans, and the like. The amount of loans outstanding was 1,641,574,191 marks (or shillings). The entire share capital (for 1072 associations, most of it contributed by small instalments) stood at 117,079,868 marks; the accumulated reserve at 28,475,381 marks. What a record of financial utility these figures represent, what vast possibilities of usefulness in the future, is only to be realized by looking into the reports of the several societies, which show how here ruin has been averted, there repaired; how poor struggling tradesmen and labourers have been enabled to raise themselves to independence, and build up a small fortune; how thousands and thousands have been rescued from misery and want, from the choking grasp of the merciless usurer.

But that is not all. Like our own "Rochdale Pioneers," Herr Raiffeisen and his friends began work with the distinct idea that they wanted to reform mankind as well as help it with funds, diffuse thrift and good living and honesty as well as create wealth. The *moral* benefit effected by the banks has been, if possible, still more marked than the economic. It stands to reason that once a man is made to understand what benefits are to be gained by membership, and that membership is only to be obtained by the steady, the thrifty, the sober, the well-conducted, the most powerful inducement conceivable is brought to bear upon him, to secure for himself the conditions of qualification. If you go into the villages where the banks are at work, you will find eloquent testimony borne to their efficacy in reclaiming doubtful characters, and diffusing habits of thrift and punctuality. The official inquiry, instituted in 1876 by order of the Prussian Government, showed, on the testimony of the law courts concerned, that wherever "Loan Banks" had been established, litigation, more particularly in respect of money owing for goods delivered, had very sensibly decreased. That effect has since been fully maintained. A Rhenish parish priest—one among many—has very frankly avowed that the Loan Bank established in his parish has done far more to raise the moral tone of his parishioners than all his preaching. Perhaps the most eloquent testimony on record is that publicly given by the Arch-priest of Loreggia, in Italy, with respect to the good effect which a Loan Bank, of the Wollemborg (that is, practically, the Raiffeisen) type, established in 1883, has produced in his village :—

"People go less to taverns now, and work more and better. Since only respectable folk are admitted as members, we have seen drunkards promise not to set their foot again in taverns, and keep their word. We have seen uneducated men, even of fifty and upwards, learning to write, in order that they may be able to sign applications for loans. Persons who were refused election on the ground of their being in receipt of parish relief, have made strenuous efforts to secure the erasion of their names from the list of paupers, and now live by their work. Labourers who could not formerly support themselves have, with the help of the society, bought cows, out of the milk and cheese of which they repay their debt, keeping the value of the calf over as net gain."

The surgeon of the same parish adds :—

"The peasant who previously, helpless and forsaken, became an easy prey to the most shameless of usurers, and had no choice left him except between misery and dishonesty, has now risen to a sense of human dignity. He is proud of being a member of the *cassa rurale*, and of taking part in its administration. In it he learns self-respect, and acquires a sense of independence, a love of work, of honesty and of punctuality. Usury finds its occupation gone, and the usurers themselves, compelled to recognize the value of our institution, are leaving the district. Our peasants say : we mean to bring up our sons with a love of work, in order that they may take their place among the *galantomeni*."

What untold possibilities for good lie hidden in a system which has achieved such results abroad ! Is it not time for us to think of applying the same remedy to our own case ? Our needs are as great. Our claimants for help are as numerous. Our means are larger. We have greater facilities for raising money. We have probably a larger number of philanthropic people willing to serve the public cause, alike with money and with labour, scattered over our country. In Germany, not to speak of Herr Schulze-Delitzsch, whose name has been permanently inscribed on the national roll of fame, Herr Raiffeisen, the originator of so much good work done, by the blessings which he has conferred, has secured so firm a hold upon the affections of his countrymen that to the present day he is popularly remembered as "Father Raiffeisen ;" and when, in 1888, he died, he was mourned as a benefactor by millions. Is there nobody among us willing to become a "father" in the same way ? If the small seed of £300, planted on the banks of the Rhine, could grow to be such an exceeding great tree, what might not be accomplished with our larger resources ! No doubt the system applied is new and strange to us, but in England difficulties of method have rarely stood permanently in the way. Other methods may, after all, be practicable. In any case there is a work of immense utility within our reach, and it will be scarcely creditable to us if, with the power to perform it, we fail to attempt it.

HENRY W. WOLFF.

THE UNIVERSITIES' SETTLEMENT IN WHITECHAPEL.

MUCH has been written during the past seven years of "the work going on at Toynbee Hall." In this article no description is given of the work, but an attempt is made to answer two questions: Why was Toynbee Hall built? and How far may its present position be supposed to fulfil the hopes of its founders? To answer the first question we must consider certain conditions of life in London, and a certain movement going forward in our Universities.

I.

Now, the condition of things we have to consider was a condition of neglect. How heavily we have already, as a nation, paid for the carelessness or lovelessness of the last two centuries is written broadly enough in our history; but even that history shares the fate of other English possessions, and hardly any one cares anything about it. Yet it was because we did not realize that a nation is held together by mutual knowledge and mutual love that we lost the United States of America. Owing to the same inveterate carelessness of our responsible classes there, we are now in peril of severance from Ireland. India, confronted by the Western civilization we bring her, cringes at our feet, and is only now beginning to recognize the hand of a brother through the life she draws from our Universities.

Our English working classes have, from their proximity, fared otherwise. They have received at the hands of successive administrations political power, the votive offerings of political parties, the virtual ascendancy in much of our government. But this has come to them before they have learned to estimate

the interests involved in any change of policy. What imbecility of selfishness is it that leads us to expect a just exercise of power, uninformed by the love that begets understanding! And what is there in our present state of society that a workman should care much for it? It is love that begets love; and we have done almost everything for our working classes but love them. We have legislated for them, doled them, taxed them, sweated them, enfranchized them, taught them, and preached to them, but never deeply cared for them. Although now there is discernible, through certain strata of society, a coming together of disunited classes, a new social understanding, the beginning of a new social state; yet, broadly speaking, rich and poor, cultivated and ignorant, live apart, members, it is true, but still very distant members of the same body. How different are the two cities that lie outside Temple Bar and Aldgate! The East End is redeemed from utter ugliness by its picturesque riverside and its noble fringe of the ships of all nations. But its houses, how low, its streets, except for a few great thoroughfares, how narrow: seven giants contending above them — churches, vestries, workhouses, board schools, model dwellings, factories and ginshops. Each of these makes its bid for the working population here packed so closely. This is the labouring base of our civilization, and these great buildings represent, or represented in the early eighties, the interest taken in it by the rich. The East End barely dreams of the fulness of life enjoyed by the West End—its worldwide interests, its luxuries of home and of travel, its friendships, its science, art, and literature, its country pleasures, its social amusements and duties, its luxurious charity, its interest in Government.

"But," it will be said, "the upper classes also labour. They reap the reward of labour." Yes, but there is labour physical and labour intellectual. The latter, delightful in exercise, varied in its relations, most precious, and well paid, affords leisure and the luxuries of leisure. Physical labour, less precious, plods along a less varied track, is glad of enough leisure for sleep, and with leisure for more than this has often not earned enough for enjoyment. The East and the West End of London, then, lying on

either side of its busy centre, give us, as in a picture, the chief problem of the world empire, of which this city is the heart. How are its immense and scattered riches, spiritual and material, to be made the possession of all its citizens ?

Wanted—communion for a great community: for the West to feel the shame of its neighbour's poverty; for the West to be caught and held by the desire to share; for the West to recognize the lineaments of its forgotten brother. "For perhaps he was parted from thee for a season, that thou shouldst have him for ever; not only as a slave, but more than a slave—a brother beloved." This was the spirit in which Toynbee Hall was founded. Those were the conditions it was set to face.

II.

To understand whence the movement drew its life, where it came from, and where it is going to, let us enter the great common room of Toynbee Hall. Its walls, painted by its own art students, will tell us of the long past that lies behind the movement, and the high ideal that has been set before it. Round the cornice of the ceiling runs an array of armorial bearings. Their legends tell us that there are here represented all the old foundations of our two great Universities. And through the foliage fresco that covers three sides of the hall, there stand out at intervals golden mouldings of the symbol of the Universities' Settlement. A tree, upright, with two arms, showers down branches of leaves in lines suggestive of the initial of Toynbee's name; and its legend, unwritten, is found in the last chapter of Revelations: "The leaves of the tree were for the healing of the nations"—a conception of university functions by no means new, but long lost in the entirety of its meaning, and needing a fresh and freer application to the needs of the nations of to-day. Still a true conception. For our Universities represent at once the oldest and the youngest elements in our higher national life. Of all our institutions they are the most conservative and the most liberal, the most living, and the most necessary to life. This is so, because they have constantly supplied two constant needs, the need for know-

ledge and the need for friendship. Men are drawn to the Universities because they desire knowledge, the stamp of knowledge, or the emoluments of knowledge. But they are also drawn, perhaps chiefly drawn, by the charm of its varied society, the social life pursued in its colleges and in its clubs. The renewal of school friendships draws them—the formation of life-friendships. Knowledge with friendship — a familiar formula at Toynbee Hall, this characterizes university life, and this is the message of the settlement to the East End—a message of which we shall have more to say anon.

A large proportion of those who enter the Universities leave them to follow some profession; and until lately the clerical profession had drawn most. Alongside of the purely clerical work of the Universities there has gradually grown up a vast missionary movement. Beginning with missions to the heathen in foreign lands, this movement, as it grew in sympathy, embraced missions to the people in our great cities, and took its latest form in the college mission. A college mission takes part of some overcrowded parish out of the hands of some overworked clergyman, builds a mission chapel, and pays a member of the college to take charge. He starts in it all the ordinary parochial machinery, and draws the necessary funds from the college. In time, if it is successful, the mission becomes a district church, and merges in the life of the Church Established. Such a mission exhibits the natural growth of the clerical side of the Universities. It is the extension of Church teaching.

But great as has been the growth of the Church during this century, it offers no comparison with the growth of Christian civilization itself. And our Universities begin now to reflect, as they have all along ministered to, the intellectual growth of the community. The great body of knowledge in every department of inquiry expands. University teachers are occupied, not merely with theology, classical learning, and the *à priori* sciences, but with the whole range of ancient and modern literature, and the discoveries of inductive science. Immense stores of knowledge, hid in the past, are lighted up by the new learning; and

the wonderful whole, as each man obtains his partial glimpse of it, transforms again and again the problems of politics and religion. Is it strange that this intellectual upheaval should bring with it, in the Universities, a spirit which will not rest content with ordinary professional outlets, but, like the Church itself, inspires extraordinary or missionary efforts?

The rise and growth of this tendency has been marked by at least three phases, each interesting in itself, each adding an important element to the fabric of university extension, each inspired in the main with the idea of carrying some portion of the university heritage to the working classes. The Mechanics' Institute, foreshadowed by the lectures to workmen given by Dr. Birkbeck at the beginning of this century, prepared the way for the Working Men's College founded in 1854 by Frederic Denison Maurice. By the attachment of the Universities to the cause of higher popular education, a fresh source of power was opened, and a new life given. In 1867, the enterprise led by Professor Stuart began to spread university lectures over the whole country. Great audiences in the north, followed by more moderate ones in the south, led men to realize that what is called "a great movement" was happening. In Mr. Barnett's words—

"the force which created Oxford and Cambridge is still at work, there is again a great popular movement in the search for knowledge, and that movement can now be met, not by inviting students to leave their homes, but by sending teachers to the men and women whose lives are fixed round the ganglia of industry."

University extension also grew, until, in 1883, the year of Toynbee's death, it numbered its students by thousands. And by that time there had sprung up in our large provincial towns seven university colleges, besides the College of Science at Newcastle, the Yorkshire College of Science, the Mason Science College at Birmingham, and the Firth College at Sheffield.

The Working Men's College added to the Institute the individual guidance of university men. University extension gave organized force to such guidance, and asserted that the sphere of university teaching lay outside as well as within the precincts

of the collegiate cities. The Universities' settlement takes one step more, and carries individual guidance, university teaching and college life itself, into our industrial centres.

The name of Toynbee Hall, while it indicates the nexus between university settlement and university extension, recalls the last years of Arnold Toynbee's life, and the manner of his death. These are too well known, and this is not the place, for me to repeat them, but it is important to remember that he died during a period of deeply aroused interest in the lives of the suffering poor, and that his death was attributed to overexertion in lecturing upon Henry George's *Progress and Poverty.* Those two lectures were given in January, 1883. George Sims's "How the Poor Live" appeared in the *Pictorial World* during the ensuing summer, and Mearns's *Bitter Cry of Outcast London* was published in October. In November, Mr. Barnett read his paper on *University Settlements,* at St. John's College, Oxford; and Professor Seeley, Professor Stuart, and Philip Lyttelton Gell addressed the first settlement meeting at Cambridge in the following May term. Toynbee Hall was opened on January 1, 1885.

III.

Here, then, is the meeting-place of the two tendencies which we mentioned at the outset. A young and enthusiastic extension lecturer dies, and these are almost his last words to the working men amongst whom he laboured :—

> "We have neglected you. Instead of justice we have offered you charity, and instead of sympathy we have offered you hard and unreal advice; but I think we are changing. If you would only believe it, and trust us, there are many of us who would spend our lives in your service."

One who had long been known as a connecting link between East End and West End, and had inspired Toynbee amongst many others, makes his grave an altar for the union of a great university movement and a great emotional stirring amongst the rich and cultivated of London.

Mr. Barnett called university men to come and live in the East End. But he warned them not to cut themselves off from their West End friends. Without ostentation either of poverty or of wealth, they were to strike such a mean of living as should enable them to draw together the classes divided by extremes. And instead of living each by himself, they were to form themselves into a club and live together. Living alone, men would not only cut themselves off from many of the nobler sources of enjoyment, but, in sharing the narrowness of the poor man's life, might lose the clue to its betterment. If they desired to deny themselves they were to do so, not by making life smaller, but by making it larger, by living in a community of men who, with different religious and political views, were prepared to sink all minor differences for the sake of a great cause. Toynbee Hall was to be a residential club, unsectarian in religion, without party in politics, without class in society. Its life was to be constantly renewed by the current of men and ideas passing through the universities. These men, by their East End and West End connections, were to bridge the gulf that separated the "classes" from the "masses." They were to bring university life and teaching to bear upon the problems of the people—their government, their work, and their leisure. They were to study the life of the people as one studies the character of a friend, with the same method and the same motive. For all who came in the same spirit of brotherly equality, they were to form a nucleus alike for social inquiries and social reform. They were to form the leisured class for an industrial population. They were to "serve God in the State."

I present these ideas in the chaotic but vivid combination in which they were held by at least one man in the early days of the settlement. But the reader who has followed my argument will perceive that these ideas proceeded from two different points of view—that of the London reaction against class selfishness, and that of the university movement towards higher popular education; and he will probably admit that neither element without the other could have produced anything like the result that has been obtained. Had Toynbee Hall been a mere de-

velopment of university extension, such as produced the university colleges of our provincial towns, it might have shared their fate, and become merely an important teaching body for young men and women of the middle classes. But more went to its making than university extension. It sprang in part from an intense national consciousness of our membership with the poor and ignorant. The interest in the poor which called for it fed upon the bearings of a great economic problem. Many who cared much about Toynbee Hall in its influence upon workmen's movements, philanthropic effort, and local government, cared less for those who would seek knowledge in its lecture halls. So it came to be planted in Whitechapel, and its purpose was not knowledge only, but friendship. Or again, had the settlement been the mere product of a reaction against class selfishness, without the powerful aid of the university movement, it might have assumed the proportions of a philanthropic society, or it might have evaporated in subscriptions and donations. But both the Universities lay behind it, and their members year by year press into its service.

IV.

The result has been that Toynbee Hall is neither a mere order of philanthropists, nor a mere popular university; and those who mistake it for either of these alone, are constantly finding some unaccountable character in the place. One critic will complain of the high intelligence and blackcoatedness of the students at its extension lectures, forgetting that, by a process of natural selection, a university movement instinctively attracts these. Another complains that men who might be building up a great popular university, are frittering away their energies on all sorts of schemes for improving the condition of the poor, which are alien to the obvious drift of the movement. The answer is, that the main purpose of the place is, not to forward any particular form of work, but to serve the pursuit of a certain manner of life. Indeed, now that it is fairly established, the observer is less struck by the volume of its work than by the extent and variety of its influence and

interests. Mr. Henry Cunynghame, in a report to the Charity Commissioners, says—

"The influence Toynbee Hall has had in the East End is enormous —much larger than merely appears at a first glance; and, from the variety of movements in which it takes an interest, it might have for its motto, 'Homo sum, humani nihil a me alienum puto.'"[1]

Not only its residents, but a large proportion of its associates represent groups, constantly increasing, of friends of the poor and workers in their cause. Each invests according to his or her talent, and so the place often presents the spectacle of men living in complete harmony, but working for social ideals as incompatible as Individualism and Socialism. This is no infrequent spectacle elsewhere, but it is not often met except where some strong family or other tie exerts a special binding force.

"Does the place, then, hold no beliefs, no aims in common?" it will be asked. Hardly, for in that case it could not have held together. Yet no test, social, religious, or political, is offered to candidates for residence. They are merely asked to live in the place for a time, and their election depends after that neither on their opinions nor on the amount of their work, but on the spirit in which they apply the one to the other. If a man approaches the life of the East End in a spirit of brotherly equality, and in a spirit of toleration for other beliefs and other methods of work, and other ways of looking at life than his own; if he is prepared to investigate facts patiently; if he will state them plainly and without exaggeration; in a word, if he really cares about the poor, and will give them his best service, then he finds himself in harmony with the spirit of the place, and belongs to it naturally. Such a test excludes all who show any disposition to patronize the poor, all who are merely curious to know about their habits, all who seek to make sensational "copy" out of them, mere faddists, mere philanthropists, mere politicians. Yet, as a club, the Hall has included men of the most diverse views in politics and religion, and has drawn its members from all ranks of society.

It is not strange, then, that the pursuits of such a place

[1] April, 1890.

should be varied. Their variety, however, makes it very difficult to classify them. Rather than attempt that, I will draw attention to those in which a broad conformity is observable. All of the men, then, belong to some one or more of the local organizations of the East End, either for local government, or for local charity, or for trade or provident purposes. All, from time to time, entertain at Toynbee Hall those with whom they are thus brought in contact, and make their social gatherings meeting-places for all sorts and conditions of men. All, again, belong to one or more clubs, social, political, or athletic, and, in helping to organize their various meetings, keep the same end in view. Gradually, too, another fashion of entertainment gains ground, and often when workmen make their way to the West End to see its sights they go in company with university men, and come back with memories of the kindly hosts and hostesses there, who have shown the sympathy and interest which lie hidden in wealthy homes. Nor have these hospitalities been all on one side. Some of the residents who have lived there longest, know the pleasure of being casual or invited guests in workmen's houses, where they have felt how much Society has yet to learn from households in which the sweetness of family affection is the chief luxury of life.

Local government, such as service on a school board, or a board of guardians, or a sanitary aid committee, or as a school manager; local work, such as is involved in the forming or founding of a co-operative society or a trades-union; hospitalities, such as I have sketched above; art and science expeditions, abroad or in England, with teachers or workmen who are fellow-workers in the cause;—these represent the social side of life at Toynbee Hall. Another pursuit, common to most residents, is the pleasant one of taking a debating club in politics, or a reading party in one's favourite subject, or a society for a favourite scientific pursuit. It is here, perhaps, that the influence of the Universities makes itself most felt.

In the course of years a complex organization, attracting a thousand attendances a week, has grown up around the lecture-hall dedicated to Arnold Toynbee. Here university extension

may be said to be at last *established.* It gives four courses of lectures every session, and they are all given in the evening, for men and women at work through the day. Two students' dwellings have within seven years been built for such of its students as desire to reside on the spot. An excellent and growing library exists for their special use. A students' union draws together its members in winter conversaziones and summer excursions. A students' club-room is open all the evening as a meeting-place for friends, and a resting-place between the day's work and the evening's study. About forty classes, in history, literature, languages, and music, add the intimate personal link by which study is stimulated and enriched. Almost as many clubs—antiquarian, travelling, literary, athletic, scientific—have gradually been built up to broaden the culture and cement the friendship which have sprung from study. Residents and associates find plenty of pleasant, profitable, but sometimes severe, work, in organizing this elaborate piece of educational machinery, in taking a personal part in its diverse pursuits, in giving tutorial assistance to the younger men who have entered the students' dwellings—Balliol and Wadham, as they are called, —and in keeping up a fresh and constant stream of lecturers and debaters from the greater worlds of politics, art, and literature.

The weak point in this little university arises from the rapidity of its growth. The classes have been added, one after another, according to the tastes of the teachers and students. They require to be grouped and co-ordinated, so as to specialize the work done at the various lectures. After a period of growth must come a period of consolidation. And to effect this, more unity of purpose requires to be shown than is perhaps possible where so many education committees and sub-committees are at work.

But, after all, the social, as opposed to the educational side of the life of the settlement, offers the greatest difficulties. It comes across the seamy side of East London, its crimes, its degradation, its unutterable sadness, its cutting competition, the heroism of the poor who prevail against these things. These

aspects of it were never felt more keenly by residents than during the three events which are the landmarks of East End history since 1884, viz. the want of work that led to the Mansion House Fund of 1886, the Whitechapel murders of 1888, and the great strike of 1889. I cite these, because they help us to see more clearly the essential character of Toynbee Hall, and the root it has taken in the East End. The settlement showed on each of these occasions, that it was no institution with a definite programme, but that it was a residential club whose aim was to grasp the life itself of the East End, and grapple with whatever difficulties might chance to arise. There could hardly have been three more different crises, or three crises less likely to appeal to the same sympathies.

When, in 1886, the Mansion House Fund threatened to deluge out-of-works, the chronically sick, and the hopelessly vagabond alike with doles, residents with the help of friends who were members of benefit and trade societies managed to prevent much of the fund from being wasted. The Whitechapel crimes resulted in the formation of a patrol committee at Toynbee Hall, whose members for many months spent the best part of the night in the streets, watching and stimulating the action of the police, assisting them in difficult cases, and interfering with all disturbances they came across. Much of the midnight disorder of the streets yields at once to quiet, disinterested authority. At a time when many of the old rookeries still remained to harbour such rowdiness, this assertion of civilized public opinion was much needed. The great dock strike, again, enlisted the sympathy and service of several of the residents. They helped in the organization of its relief, in the formation of the union that followed, and in the founding of one of the dockers' clubs that resulted from the union.

Its very importance compels us to consider how far and in what direction the settlement maintains the standard that has been set up. Instead of taking three casual events, let us take one important department of life—elementary education. Few settlers have not given some of their time to the management of schools or to the unofficial liberalization of the work of the

board, either in fostering athletics, or in introducing fresh methods of work, or in the formation of old scholars' clubs, saving clubs, and temperance guilds; whilst others have devoted some months in every year to the organization of children's country holidays. The response this work has met with in two directions deserves careful consideration.

First from the teachers. Partly as an effect of their co-operation with residents in the work of elementary education, the school-teachers of the Tower Hamlets form a considerable proportion of those attending the lectures and classes at Toynbee Hall, and are a large majority in the Toynbee Travellers' Club. They are thus a connecting link between the social and the educational life of the place. They absorb eagerly its university teaching, and, in co-operation with residents and associates, bring this to bear upon one of the most important of problems—the training of the next generation. Now, the relations of Toynbee Hall with trades-unionists and co-operators, and, to a less extent, with members of Friendly Societies, have been almost as close. Yet, whilst workmen are willing enough to attend debates, conferences, and committees, and to work eye to eye with residents in matters of social reform, they are a minority in the lectures and classes. It has been pointed out above that university teaching is more likely to attract those who are better trained for it; but still, if Toynbee Hall professes to bring university teaching to workmen, it must manage to make it more attractive to them, or to make them more alive to its importance.

Secondly, with regard to the electorate. The two residents who had been most identified with board-school management, were, last November, elected to represent the Tower Hamlets on the London School Board. And this electoral success was followed by the election of another resident, last March, to represent Shoreditch on the county council. Now, when the settlement was first started there was a very decided lack of persons of leisure in the East End, and one of its purposes was to provide them. From one point of view, therefore, one may regard these elections as unqualified successes. And in these cases, where the

work is largely local and the men were not merely well qualified, but highly qualified to serve, one may say, "so far, so good." But there is another point of view. Men may, in the course of time, be attracted to Toynbee, not by sympathy with the East End, nor for the work that has to be done, but for the political chances such life and work may bring. Besides that, to be a representative one must be elected. Elections involve electioneering.

But, in order to limit the difficulties of the question, let us suppose that what happened in the last school-board election might always, fortunately, happen, that both a Liberal and a Conservative stood, and that accordingly no question of party politics arose. And let us disregard for the moment, what is also important, the temporary neglect of ordinary work by residents, associates, and students who may canvass. The question then narrows itself to this: Is the service of the State (apart from local work) more important than the main object of the settlement—the formation of friendly relations between members of the divided classes? It certainly seems to me, that the soldering of society, as it is attempted at Toynbee Hall, is more important than many politicians. It is a unique effort—or, rather, the pioneer of a unique effort—to do for England what politics can never perform, what the Church itself fatally hesitates to attempt. A few decades hence and the leisured classes will be confronted by a well-agitated, well-educated, and well-organized class of workmen. In those days, a revolution —bloodless, we may well hope—will have been accomplished. Political power will have shifted its foundations. If that shifting is accomplished step by step through wars of labour and capital, through the outrageous bids of political parties, through the bitternesses of class prejudice, the England of that day will be shaken by a conflict of opinion compared with which our present differences are trifles. But the opportunity, the precious opportunity now offers itself. Whilst the balance of power still rests with those who care much for the teaching and traditions of the past, they may learn to understand, and to prepare for their trust, those whose influence must soon preponderate. There is yet time to bind the elements of the society that is to

be, in the bonds of peace. This is more important work than sitting on councils or in Parliament. It is no less than the reconciliation of the new order with the best and most enduring elements of a mature civilization. It may not be the service of the State, but it is the service of that which creates and holds together the State.

V.

An outsider who has had intimate knowledge of the history of the settlement, and is deeply interested in its further progress, I would suggest two sources from which that progress might be endangered.

The chief commandment for those who would live long in the land is that they should honour their parents, and those who are most desirous of length of days for Toynbee, look back anxiously to the sources of its life and the conditions out of which it arose —London's dislocated classes—a university movement setting out to reach the people. They ask themselves: *Is* it a movement, in the sense that it moves? Does it year by year and month by month draw university teaching, West End culture, and East End aspiration closer together?

No doubt Toynbee moves, and in the right direction. But might it not, ought it not, with its immense resources, to move a little more? In fact, does it make sufficient use of its resources? And first, with regard to the Universities: although it attracts enough men to fill, it ought to attract more. For though settlements of various kinds have been founded with similar objects, and so absorb men, none of them compare with the pioneer in influence or in size, or in freedom from sectarian bias, the secret of them both. The interest which drew twenty-five settlers during the first two years would bring at least similar numbers again, if the same force were applied in the Universities. There ought to be ready means by which all who feel themselves in sympathy with the movement may be brought within its influence, and see something of its work.

The system at present in use is one that would work excellently if it were regularly connected with the work in Whitechapel. A

general secretary to the settlement council in each University, and a secretary in every college, are appointed; and upon them, but chiefly on the University secretary, falls the duty of collecting subscriptions, arranging meetings, and arranging for a flow of men between the University and the East End. Upon them and upon the Warden of Toynbee Hall, who pays occasional visits to the Universities, rests the propagandist work of the movement. But all these have their own work to do in their respective places. What is wanted is a man in each University who, whilst retaining his residence in college, and remaining in touch with university men, might yet be doing some of the work of the settlement, and living partly at Toynbee Hall. A serious effort is now being made there to extend the teaching of history among workmen, by appointing a lecturer in two or three divisions of the Tower Hamlets. Mr. Barnett has suggested that this lecturer might be a Fellow of a College, holding his fellowship conditionally upon his giving such lectures.

Now, such a fellowship may or may not be founded. It must depend upon the feeling at Oxford and Cambridge. But few will doubt that if it is, an opportunity will occur for establishing just that personal link between settlement and University which is so much needed. Few things could give greater reality to the University Extension movement than a Settlement Fellowship in the political history of Greater Britain from Cambridge, and one in our industrial history from Oxford. Balliol has already taken such a step in another direction. Its example may be followed at Oxford. At Cambridge, by some different channel, perhaps by some such plan as is here suggested, the same nexus between People and University may be secured.

With such links, present casual connections might be strengthened. Even now, many leading workmen have already addressed University men in their own colleges. Elementary teachers find accommodation to pursue vacation studies every year at Oxford. A movement is on foot to aid the best of the pupil teachers to get their training at Cambridge. On the other hand, scores of men find their way to the settlement every year for the purposes of social or economic inquiry, for philanthropic service, to

entertain or to lecture. Slowly, but surely, the settlement of the Universities with the people is made.

The other parent of Toynbee Hall was, we said, the re-aroused sympathy of the West End,—also to be honoured. How far is the West End still credited with the feelings to which the Hall owes its existence? A danger arises whenever a new movement attracts men, lest, in their devotion to it, they should forget that many causes, domestic and professional, prevent those whose sympathies are with them from joining actively in their work. It is the danger of supposing that outsiders are Gallios who "care for none of these things." It can be averted only by those who take care to mix with others than such as are directly influenced by their movement. In the case of Toynbee Hall, a special reason exists for not drifting away from the society of the West End. For it exists that East End and West End may find common ground. Its influence spreads in proportion to the courage and tact with which settlers and associates impute the sympathy which lies hidden beneath conventionalities and prejudices. "I don't care," means so often, "I don't perceive," that one is led to regret that the drawing-room at Toynbee Hall is not oftener used for mixed parties than for those which provide such delightful entertainment for East-Enders. I know the strong temptation there is to give these instead of the more difficult combination. Yet the combination must be made, and I know no more suitable place for the introduction to each other of East and West, because those who are invited know that all useless and unkind conventions are there abandoned. I have described the attitude of Society as one of carelessness. But this is largely conventional or superficial, and it is far from being universal. There is no peculiarity in the sympathy felt at Toynbee Hall. That place represents a great wave of sympathy, extending in and out amongst the cultivated classes, which Mr. Barnett was the first to seize and direct into this new channel. In several cities of England, Scotland, and America similar settlements have sprung up. The altered relations they are bringing about between rich and poor are becoming visible and potent in ever-widening spheres.

On Toynbee Hall and kindred settlements rests the responsibility for guiding and strengthening the sympathy they were intended to express. There is no occasion for hesitation or apology in bringing about what is so necessary to the stability of the social fabric. And those who have most mixed with the "dissevered halves" of English society know best how much is lost by the severance. The rich lose quite as much as the poor. This life of the East End, neglected by the cultivated world, undone by the legislation of the past, but unspoiled by the presence of the ostentatious classes, bears the unmistakable stamp of greatness and goodness. In its keen interest on all social and educational questions; in the taste for art, which draws tens of thousands every Easter to the St. Jude's Pictures; in the growing spirit of athleticism, which crowds our East End parks and gymnasia; in the patience and sympathy of the suffering poor; in the simplicity and fortitude of the life of the better workman; in the order and independence and real good fellowship which mark the meetings of co-operative societies, benefit clubs, and trades-unions; in the passionate self-control that organizes itself into the great strike of the dockers,—one sees the emergence of a great character, preparing itself, with a completeness quite new in the history of English electorates, for the responsibilities of democratic control.

The privileged classes have no greater privilege, nor is there anything more deeply important to them, than to develope this character to its highest power.

THOMAS HANCOCK NUNN

THE THEORY OF PRIZE-GIVING.

I.

IN a recent article[1] in this *Review* it was conclusively shown that the principles underlying the distribution of rewards in social life are not of a simple or easily intelligible character. Some light on the subject may be gained from a consideration of the rewards of intellectual effort given in our educational institutions, and the ethical principles on which they may be supposed to rest. It may be remarked that prize-giving in one form or another occupies so prominent a place in modern education, that some anxiety may well be felt by any one who cares for the moral effect of the institution upon the young, if he finds that uncertainty and divergence of opinion exist among those who speak with authority upon the subject. That such divergence does exist, the following extracts will, I think, indicate :—

1. "How dry and poor must the doctrine of humility sound to a youth that has been spurred up to all his industry by ambition, envy, emulation, and a desire of glory and distinction! And if he is not to act by these principles when he is a man, why do we call him to act by them in his youth?"[2]

2. "If anybody thinks that men in general could be induced to put forth their maximum activity in the service of the community without the prospect of reward, for themselves and those nearly connected with them, he is a person with whom it is useless to argue."[3]

3. "It appears to be fact that God does govern mankind by the method of rewards and punishments." "Public honours, too, and advantages are the natural consequences . . . of virtuous actions."[4]

[1] "What is Justice?" II., *Economic Review*, April, 1892.
[2] Law, *Serious Call*, ch. xviii., p. 195 (1888).
[3] *Economic Review*, April, 1892, p. 176.
[4] Butler, *Analogy*, I. i., ch. iii., pp. 56, 60.

It is difficult to grasp a writer's meaning by reading a short extract, but the above passages seem to show that, while Mr. Rashdall approves of rewards as a stimulus to effort, Law asserts that they appeal to the wrong motive, and Butler, on the other hand, speaks of them as indications among men of the Divine moral government of the world, as a prevailing fact which should incline us to accept the doctrine of rewards and punishments hereafter.

We will consider the relation between these points of view. It should first be explained that the term "prize-giving" denotes the whole system of honours and artificial rewards which is in vogue throughout the *status pupillaris* of a man's life, from the entry into the preparatory school to the end of his university career. If any conclusion can be arrived at as to the morality of this system, possibly the principles underlying the rewards in the larger world of fully grown men may be more clearly perceived.

Prize-giving, in some form or another, may be defended by assuming it to be an earthly copy of a Divine institution, which is a point of view similar to Butler's. It may be said to be a corollary of merit, satisfying a sense of justice innate in man. It may easily and truly be argued that the parent's approval and disapproval form the highest objects that a child can aim at. His parent is to him *in loco Dei.* It is doubtful if he can understand any higher motive than the wish to please his father. It is, therefore, perfectly right that the father, when he has witnessed an exercise of obedience, or self-control, or unselfishness in his son, should express his approval in a tangible form by giving the child some token of it, in itself pleasurable as a possession. Later on, the schoolmaster, being *in loco parentis,* naturally succeeds to the duty of expressing his approval of merit in the same sort of way. Hence the public prize-giving on a speech-day, and afterwards at the university the class-list, though less tangible, is a public expression of honour to which meritorious effort is entitled.

I wish the reader to notice carefully that this view of the principles underlying our system presents it as a *corollary of*

merit, not as an encouragement of effort, which is a theory to be considered presently.[1] It is advisable to omit all discussion of the thorny question whether it is practically merit, or only intellectual quickness which is rewarded. We have quite enough to do to discuss the theory of prize-giving, assuming for the nonce that it does what it is supposed to do.

This, then, is the broad justification for the system. There are others of a subordinate and more practical nature which need not detain us long. Thus, the system indicates to a young student, especially at the universities, the direction in which it is expected that he will make his efforts. The founding of a prize for an essay on a special subject, such as the character of William III., is an instance of this. So a tripos forbids desultory and aimless reading. Again, the class-lists fulfil a practical object in assisting selection. Men have to be chosen for certain work in life. The lists give a rough—some would say a very rough—indication of their comparative powers.

Now, all these justifications of prize-giving are admittedly innocent. There is, however, one more which, though innocent, brings us nearer to the debateable territory in which part of our question resides. Competition in intellectual contests acts as an encouragement to effort by setting before each individual a standard to which it is possible that he may attain, and of which otherwise he might remain unconscious. This is not the same thing as saying that A is encouraged to work merely by the desire of beating B. This may frequently be so in practice, but it is not part of the idea of Christian competition. For instance, when St. Paul exhorts the wealthy Corinthians to give alms freely, he appeals to the example already set by the poor Macedonians, not in the hope that the former will simply wish to outstrip the latter, but as a means of showing them what can

[1] A friend suggests that the theory of reward given in the New Testament is that reward follows merit, as if the exhortation was "Do good *and* you will be rewarded," not "Do good *that* you may be rewarded." I do not feel clear as to the perfect accuracy of the statement, but it is interesting to note its connection with the well-known ambiguous sense of ἵνα in Hellenistic Greek, about which much may be found in Canon Evans's *Commentary* on the first Epistle to the Corinthians.

be done. "There is the standard; do not be content to fall short of it."[1]

But these innocent pleas are not, I think, those which are commonly advanced in support of the system. I understand Mr. Rashdall to defend it because prizes evoke an effort which would otherwise remain dormant. That is to say, a prize, or the κῦδος attached to it, is *in itself* desirable, and a student is expected to exert himself for no other reason but his wish to secure it. This is the theory which seems to require ventilation. For supposing the system of prize-giving is commonly conceived of by the competitors and onlookers as an inducement to them to exert themselves for the sake of a bait held out before them, and, further, that this aspect of the system is so commonly presented to them that they have difficulty in imagining any other, it clearly becomes needful to ask what is the nature of the motive which is thus appealed to, and how far is the appeal in accordance with the dictates of Christian ethics.

Bearing in mind, then, that we are discussing reward as stimulus, and under no other aspect, I conceive that it is a false justification of the system to say that it evokes effort; because if boys are trained to work for a reward they will not learn to work for the sake of duty. It is true that the effort made from whatever motive may benefit society. It may establish a habit of industry, and so forth. But the question is simply whether the motive appealed to is the highest motive possible *under the circumstances.* The answer will depend on the view taken of the desire for praise generally. The Pharisees were instances of men who exerted themselves in a direction approved of by their countrymen, merely to gain that approval, and were therefore held up as a warning for all time. Hence it will probably be admitted that the usefulness of any given exertion is no sort of guarantee as to the purity of the motives which inspire it. Further, that if those motives are wrong,

[1] 2 Cor. viii. 8. I should therefore dissent from Law's assertion (*Serious Call*, p. 195) that there is no difference between emulation and envy. Moreover, in practice, the fears expressed about prize contests as being anti-social are shown to be groundless. Cf. Bain's *Education as a Science.*

the usefulness of the result is no defence whatever of the system which appeals to them.

Can it be said, then, that to work for the praise of men is to work for the highest motive? Certainly not. But it may be (A) an innocent motive, or (B) a secondary motive to be appealed to under conditions which forbid the highest motive from operating.

A. If the motive is innocent, why is it that we condemn any admixture of it in the case of the highest characters? The reverence paid to men like Father Damien or General Gordon is based on the disinterestedness of their service. But if proof could be had that *any* of their heroism sprang from a desire for canonization, we should cease from revering their memories. If it were known that *all* their heroism were due to this desire, our feeling for them would be more like contempt than reverence. This seems to forbid the belief that the motive in question is innocent.

Again, why do we condemn an intellectual pot-hunter? This question demands an answer from those who uphold prize-giving as a system of successful stimulus. Divers prizes are announced for the purpose of stimulating effort, because they are in themselves desirable (and we are considering no other reason). A clever man desirous of securing them, reads hard for one examination after another and wins honours (or prizes) in each. We call him a pot-hunter. But he has only done exactly that which the institution is defended for inducing him to do. Just when our system is most successful, we turn and rend it. We institute a stimulus of effort, justify it because of its power to produce a certain result, and then condemn the result produced.

It is clearly no answer to this to say that in practice people do not "hunt pots" to this extent. It would be difficult to prove the truth of the assertion; but even if true, it would mean that we are content to appeal to a dubious motive because our appeal is only partially successful. The bait only attracts a certain number: or, a given individual is only attracted by some baits, not by all. That is to say, the danger remains, but the resulting benefit to society is less than was hoped. Far better say at

once that the appeal is successful. But then why give an opprobrious name to the individual who has submitted himself freely to the influence of our appeal?

B. We turn to the plea that the desire for distinction is a good motive if it be (*a*) secondary to a higher motive, or (*b*) the highest possible under certain conditions, *e.g.* in the case of the young.

a. I find it extremely hard to understand what is meant by defending a motive, because it is secondary or subordinate to another. A motive must either be first or nowhere. The praise of men is not necessarily connected with the performance of duty, though under certain circumstances it may be a guide to the path of duty. But to follow it because we think it to be a guide, is entirely different from aiming at it for its own sake. If a man generally acts from the highest motive, service to his Maker, but in moments of depression or bewilderment allows himself to be led by the praise of men, on the theory that, as men sometimes praise what is best in conduct, so their approval may guide him aright for a time, he is not making men's praise a motive at all. He is aiming at something different. "We may be guided by lamps along a dark street, but if we make for a lamp we come to grief against the post." Moreover, it is not his desire for praise which is his motive, but his desire for something else. This is the case when he uses men's approval, thinking it ratifies his idea of his highest duty. If he does *not* think this, or is indifferent, then desire for praise is indeed his motive. But it is not in any sense secondary. It has ousted the other from the field. If the two could co-exist, what would be the meaning of "Ye cannot serve God and Mammon"?

b. Perhaps, however, it is a motive which must be appealed to in the case of the young, as they cannot be expected to act upon the simple idea of obeying God's will. This view might be supported by an appeal to the Old Testament, where we learn that the Israelites were treated as children and constantly stimulated by promise of material earthly rewards. To this may be added the promises of heavenly reward contained in the Gospels: and a defence may be set up by saying that, in the one

case, the childish mind is appealed to by the hope of a tangible reward; in the other, the adult Christian is stimulated by the prospect of something more spiritual, but still a reward.

Both allegations require careful discussion. But I will venture on the statement, that, as far as the examples from Scripture are concerned, the promises in the Gospels are too spiritual for the purposes of the argument. They are held out before us as a corollary of successful endurance. They deal with the conditions of infinite existence, and it is surely most perilous to apply them as warrants for tangible earthly rewards used as baits. The reproach against Christians of practising virtue for the sake of a reward is old enough, but it is based on a singular misconception of our religion.

As to the Old Testament, it may likewise be said (1) that the stimulus aspect of the promised rewards is quite insignificant, compared to that which presents them as a corollary; (2) that the promises are largely spiritual and symbolic; (3) that they deal with the nation, not with individuals, and so teach patriotism and not selfishness; (4) even if we grant the element of bait or inducement, the morality of the Old Testament is not commonly regarded as a standard for Christians. We may admit, however, that, like many parts of this intricate subject, the exact meaning of these promises of reward demands careful scrutiny. I pass the argument by with this brief notice, because I do not believe that people will justify any modern institution merely by appeals to the Old Testament.

The opinion, however, that the simple inducement of prizes as baits is perfectly innocent in the case of the young demands some discussion.

Favourably worded, a defence of this kind would run somewhat as follows:—The desire for distinction is innate, and by itself is a neutral instinct. Granting that in an adult the craving for rewards and distinction betokens a mundane spirit, and should not be encouraged, yet in the case of schoolboys and undergraduates we utilize this neutral instinct to produce a certain result, because it is foolish to appeal to motives which they cannot understand.

One objection to this position consists in the discontinuity of the training. It seems to be expected that, after acting from a desire for distinction in youth, a man should cease to do so later in life. If the above reasoning as to the anti-Christian character of the motive appeared to be sound, we are convicted of fostering certain instincts in the young which we disapprove of in the adult.

Now, if this be so, education becomes an even more tangled affair than is supposed. When is the inferior motive expected to be exchanged for the higher? What steps are taken by any one to gradually raise the tone of the appeal? If the idea is that the desire for distinction should be allowed to operate freely in childhood but should be merged slowly into the motive of simple duty or service by twenty-two years of age, it is unfortunate that the baits should be most captivating at the university, and that just when he is supposed to care least about prizes he is most loudly applauded for getting them.

But the truth surely is that no advance from the one motive to the other is possible, since the two are contradictory. The opposition begins at once, and continues to the end, the sphere in which they operate becoming larger. Thus, for a child we may suppose the highest motive possible is the wish to produce by his conduct satisfaction in his parent, whom he loves. But if for this is substituted a wish for lollipops or pennies, the difference is one of kind, not of degree. A lollipop may on occasions be given as a token of approval; but as soon as ever it becomes a bait the child leaves his high motive for a selfish aim. One motive cannot blend into the other. There will be the same fundamental difference between the possible motives at school, either the wish to produce satisfaction in the minds of the authorities as representing the little community, or a wish for the book which betokens the satisfaction: the one an unselfish, the other a selfish motive. So at the university there may, though not so easily, be the same wish to deserve the approval of the large society. This may be an unselfish wish, though it must be admitted it is one which hardly frames itself in dimmest outline in the minds of honour-men. Still, it is possible, and at any rate a man of twenty-two years may be

learning to act from the idea of service: that is to say, he will again choose between two opposite motives, either the wish to glorify God or that God may glorify him. Hence, in respect of actual rewards, whether they be books, money, or simply κῦδος, I cannot admit that at any period of life the aiming at them as desirable baits is to act from the highest motive possible. And to choose this motive when a higher one is possible, is to choose a motive which is not neutral but bad.

Hitherto, it will be noticed, I have dealt with the simple desire for the prize as a possession, or for the honour attached to it. There remains the motive of wishing to be first in a competition, which comes into play as soon as a child goes to school, and is appealed to more or less through life. Perhaps it is identical with the wish for distinction attached to a prize: but assuming it is something different, the same objection applies. There is a sense in which the stimulus of competition may be said to be an innocent one (p. 497), but reflection seems to show that the naked wish to be first is not a motive which wins admiration. If it is, why should we object to a man expressing satisfaction at having beaten others? It seems odd to give unqualified approval to the wish of an aspirant, and then, when it is gratified, to prefer that he should not mention it. Again, we do not regard it as a compliment to say of any one that he is the sort of man who cannot bear being beaten; and yet the tone of character which this denotes is fostered by contests in so far as they are openly and habitually regarded as appeals to the desire to be first. In short, if this motive be laudable or innocent, why is swagger offensive? If to aim at pre-eminence be good, why do we honour humility which sincerely disowns excellence?

Space forbids fuller discussion of this question, though it certainly requires it. Possibly the ground might be cleared if a distinction could or could not be drawn between the wish to be first, and the wish for another to be second. Be that as it may, I would hazard two remarks.

1. In so far as the New Testament notices this motive it is in terms of disapproval.

2. Its real character is seen if we compare it with the desire for money (not for a particular object to be acquired by money, but for its own sake). A vast majority of the human race are apparently working for money or for distinction of one sort or another. Yet the enormous prevalence of these two motives has not secured an openly favourable verdict for either. Their votaries are expected to observe a judicious reticence as to their real object.

The conclusion, then, to which we have been led is as follows. The institution of prizes and honours may be justified by some good or innocent reasons; but the plea most commonly put forward, that they stimulate effort because they are in themselves attractive, or because of the distinction attached to them, is one that militates against the highest ethical principles (even if it be restricted to the case of the young), and exposes education to the scathing censure of Law. I have forborne to import any practical questions into this essay. Even if a full and careful discussion of the subject pointed to no definitely practical issue, it is certain that in many ways the object-lesson of such an institution as this in schools or universities must have a very powerful influence on the view of life gradually taken by each rising generation; and what this influence is depends on the commonly received opinions of the principles on which the institution rests. I venture to put forth the above reasons for thinking that Law's indictment to a large extent still holds good.

E. Lyttelton.

II. A Criticism.

It is a truly refreshing spectacle to see the head master of a great public school coming forward with so courageous and out-spoken a criticism upon the system which he administers as is contained in his article upon "The Theory of Prize-giving." My admiration for his sincerity and honesty is none the less because I do not agree with him upon this particular point; and as my disagreement has, at all events, the appearance of a

difference of ethical principle, I should like to preface my remarks with an assurance that I am in hearty agreement with his fundamental assumption, viz. that it is a part, and the supreme part, of the educator's function to hold up before his pupils the highest Christian ideal.

I find it impossible to give a specific answer to Mr. Lyttelton's challenges without a few preliminary remarks upon his general view of human nature; and, perhaps, when these remarks have been made, the questions which he puts to the upholders of the present system will be found to have answered themselves. Mr. Lyttelton seems to me to enormously underrate the complexity of human motive. He writes as if the motive by which each act is governed could be read off and analyzed and named with as much precision as a musician can determine, from the sounds which the instrument produces, the notes which the organist must be pressing down and the stops which he has got out. I will try to reduce my disagreements with Mr. Lyttelton's moral psychology—if I may call it so—as far as possible to definite heads.

(1) I understand Mr. Lyttelton deliberately to maintain that no action is done from a mixture of motives. So much seems to be implied in his assumption that the motive of a boy who works for a prize must be "*either* the wish to produce satisfaction in the minds of the authorities as representing the little community, *or* a wish for the book which betokens the satisfaction." "A motive," he tells us, "must be either first or nowhere." Now, of course it is plausible to argue that if a certain action, said to be motived by A and B, would still be done without B, B can be no real part of the motive. Let us suppose for the moment that this is so in the case of each single, momentary volition: still it is clear that any continuous course of action may be kept up by the rapid succession and interchange of a number of different motives. If we analyze the way in which motives act upon the industry of a boy at school, it is obvious that the total industry put forth must really be composed of a number of successive acts of attention. If we assume that each successive act of attention has a single, definite, and assignable motive, it

is, at least, quite possible that four or five motives may act upon the same boy's mind in the course of an hour's preparation of school lessons. He will be induced to begin it by one motive —say, fear of punishment (whereas otherwise he might have accepted an invitation to play a game of rackets); his mind may be kept from wandering by an alternation between interest in the subject and sense of duty; finally, he may be led to devote an hour to the task, instead of stopping after forty minutes, by the desire for a prize. I have simplified the matter to a degree which I believe to be thoroughly inconsistent with psychological facts; but, assuming Mr. Lyttelton's premisses, part of the result is here due to each of four distinct motives. In this way, at all events, it is clear that the competitive motive is not inconsistent with the intermittent presence of other motives. The prize induces the boy to work for sixty minutes, when sense of duty alone would have induced him to work (let us say) only thirty. The champion of competition may therefore plead that the lower motive is supplied to insure the diligence of the average boy at those weak moments when higher motives would not prevail. There is, at least there *need be*, no discouragement of higher motives. Increase the pressure (so to speak) of the higher motive, and you will get forty-five minutes done from the sense of duty. When the average boy can be educated up to doing the whole sixty minutes' work from the higher motive, then it will be time to withdraw the prize which has so far secured the remaining fifteen.

(2) Such an account of the matter will, however, be felt by most people to be a travesty of the real facts. In the first place, it is not always at the actual moment of action that motives combine to influence our acts. The desires which from time to time present themselves to the mind and find a welcome from the will, gradually build up a character, and the individual acts are the expression of this total character. Such habitual acts as those involved in "industry," "attention," or "application" are those which can least satisfactorily be assigned to definite and isolated "motives." But even in so far as it is possible to analyze the motive of the individual act, I maintain that one

and the same act may be due to a mixture of motives. It is surely a matter of common experience that we often choose one course in preference to another in consequence of the combined force of two inducements, each one of which by itself would be inadequate to outweigh the desire which solicits us to the opposite course of action. A boy may well have a certain moderate devotion to duty, which is nevertheless not strong enough at certain moments, by its own unassisted force, to prevail against the combined influence of a love of cricket and an aversion to Greek grammar. The love of duty, combined with ambition for school distinction, wins the day. And yet the desire for the prize might, by itself, not be strong enough to prevail against a competing love of novel-reading, were it not reinforced by the sense of duty. The two together enable the boy to conquer the opposing temptation. This will be the case even if we assume that the sense of duty and the hope of the prize present themselves in perfect distinctness to the boy's mind. In the majority of cases they probably do not. The two motives combine into a single impulse. The prize or the place in the class becomes the symbol of the duty to be done: the duty commends itself by association with the prize or the place.

But at this point I fancy I hear Mr. Lyttelton exclaiming, "So long as the prize is merely a symbol, I don't object to it; it is only when the prize is made into a stimulus that it becomes a selfish and unchristian motive to action." "Yes," I answer, "but the symbol would be inoperative unless it appealed to a natural impulse. The symbol would be useless unless it imparted to the thing symbolized an attractive force which it would not otherwise possess. A flag would not stimulate military ardour in beings possessed neither of the love of bright colours, nor of the power of associating ideas with material things, nor of the purely animal instinct to fight for a thing which you have got in your grasp. If, therefore, a soldier fights better with a flag than without it, it is not strictly accurate to say that his motive is simply the idea which he associates with the flag. It is *in part* the flag that has done it—that is to say, the animal or æsthetic instincts to which the

flag appeals. So with the boy stimulated by competition. The purely animal instinct of competition increases the efficacy upon his mind of all the more spiritual and more disinterested motives which can possibly impel him to the performance of his duty and the development of his faculties.

(3) Mr. Lyttelton seems to me to ignore not merely the abstract possibility of a mixed motive but the actual complication of motives which determine most of the everyday actions of our lives. Can Mr. Lyttelton really lay his hand upon his heart and tell us that he is actuated by nothing but pure sense of duty or pure, disinterested love of the brethren in eating his breakfast, in reading his newspaper, in taking his daily ride or walk or game of fives, in choosing the place of his annual holiday, in preparing the lesson that interests him most? Most of us would admit that the average good man is normally actuated in eating his breakfast by hunger, by the desire of health, by a liking for eggs and toast and the like, or by the mere force of a habit gradually created by the operation of these motives; and most moralists would be quite content that this should be so, so long as these motives do not conflict with higher ones. It is only when some real or apparent call of duty suggests that on this particular morning it may be right to postpone or omit the accustomed meal, that it becomes necessary for us to appeal to any higher motive. It is only then that—supposing the man decides that after all it is right to eat his breakfast before attending to the call in question—the breakfast can really be said to be eaten from a sense of duty alone. In the vast majority of our actions we are, and ought to be, gratifying desires other than pure love of duty for duty's sake, or love of God, or love of humanity; it is enough that these higher motives should always be in the background, so to speak, of our consciousness, ready to intervene when any collision either between two natural impulses, or two higher desires, or between a lower desire and a higher one, raises a doubt as to the proper course of action. Once let the general plan of our life have been moulded by the deliberate sense of duty, and we go on to a large extent without direct appeal to it, though no doubt the good man is never for very long

together in entire unconsciousness of it. We eat our meals because we are hungry; it is only the dyspeptic who has to calculate the effect of each morsel before he swallows it. We read this or that book from love of the subject, or from the desire to answer So-and-so, or because we were ashamed the other day to have to confess to So-and-so that we had not read it. It is only when some competing duty calls upon us to pause and think, that we deliberately raise the question to what extent it is right to pursue knowledge, or to engage in controversy, or to become well-informed persons; it is only then that we have to reinforce these motives by higher ones before we can justify the continuance of our usual habits of life.

If there is any truth in this contention, what becomes of the assertion that the competitive motive and the love of God or man or duty are "contradictory"? Strictly speaking, it is very rarely that two motives are "contradictory" in the sense of being mutually exclusive. It is only the courses of action to which they point which are contradictory. Even motives which can hardly exist side by side in the same breast at the same moment, may sometimes prompt to the same action, *e.g.* love and hatred. But except such intrinsically opposed desires I hardly know any two motives, however different in moral value, that might not become the joint-motives of any act. It is only when the path marked out by two desires begins to diverge that we have deliberately to choose one in preference to the other, our love of power or our love of usefulness, our love of our business or our love of duty, and so on.[1] Of course if, in general, school competitions suggested a course of action opposed to that which would be presented by duty, then it would be madness in the educator to encourage the competitive instinct. I believe that, within certain very strict limits, the motives to which competition appeals can be enlisted on virtue's side throughout life; but at all events at school (so far as prizes

[1] Mr. Lyttelton wants to know how I explain the impossibility of serving God and Mammon. I answer that the man who attaches a certain reasonable value to wealth (whether for himself or others), but is ready to give it up the moment it conflicts with duty, does not *serve* Mammon at all. He is not its *slave*.

for school-work are concerned) there is, roughly speaking, a complete coincidence between the dictates of the two sets of impulses.

(4) Mr. Lyttelton contends not only that the desire of the prize and the higher motive cannot blend in the mind of the prize-baited schoolboy, but that the one motive cannot lead on to the other. If Mr. Lyttelton is right, he declares war, not merely against the comparatively modern system of competition, never so fully carried out as in our modern English schools and universities, but against a theory of education so generally accepted that one hardly calls to mind the writer by whom it has been explicitly assailed. This is not the place for a detailed exposition of the Aristotelian theory of the formation of habits (ἕξεις). No one contends so strongly as Aristotle that any action, to be virtuous in the full sense, must be done for its own sake: but he holds also that in the first instance the action must be performed from some lower motive, fear of punishment, love of reward or of applause, imitation, affection for parents, admiration for those usually accounted models of conduct, and the like.[1] Gradually a habit of doing the action is acquired, and still more gradually the action gets to be liked for its own sake. That there is some exaggeration in Aristotle's confidence in this kind of habituation, that he overlooks many limitations and counter-considerations—the force of reaction, the possibility of sudden conversion, the possibility of the highest motive acting even on the youngest—most modern critics would be prepared to admit. But surely, with all reserves, there remains an enormous element of truth in the theory. It is truest, no doubt, on the lowest level. A child does not naturally like cleanliness; the love of cleanliness gradually supervenes upon a habit of cleanliness produced at the earliest age by nursery compulsion, a little later by the pressure of school or family opinion. No doubt as we ascend the scale of duties, the power of habit to engender the virtuous ἕξις becomes smaller. The compulsory threepence in the plate enforced at Dr. Grimstone's Academy was hardly

[1] I am merely reproducing the spirit of the theory: the exact motive of the first steps towards a virtuous ἕξις is not very explicitly defined.

calculated to encourage spontaneous liberality. But the theory in question is eminently applicable to the performance of *actions only partially under the control of the will.* No doubt it is always in a boy's power to sit a certain number of hours over his work, though it would surely be no strain upon the charity of the austerest moralist to admit that the motives which militate against such industry in the breast of young boys are, in a sense, natural and blameless enough, and to plead that in their case the pure love of virtue requires some reinforcement from association with equally natural desires pulling in a contrary direction. But the extent to which a boy attends to his lessons while he is at them, is not wholly within the control of the will. Everybody knows the extreme difficulty with which the man who betakes himself to study late in life keeps his attention fixed upon a book for several hours together. The power of continuous application can only be acquired by habit; and in average boys at an early age the sense of duty, pure and simple, would, with the very best intentions, be usually incompetent to form this habit of attention; but a habit of attention artificially acquired may surely result in a love of continuous study for its own sake. It may be said that even this is not the highest motive: but I cannot believe that even Mr. Lyttelton would deprecate the cultivation of a love of knowledge for its own sake, lest perchance it should interfere with the operation of motives which I should agree with him in thinking higher and more important still. The appeal to the competitive instinct may therefore be justified as an aid to the formation of the habits which gradually build up character. It is not necessary to contend that habits thus formed naturally lead up to the acquisition of the highest elements in the Christian ideal. I am not setting up competition as a *substitute* for Christian teaching and Christian influence. But, though I should agree that the educator should aim at the highest, it does not follow that nothing short of the highest is worth having at all. It is better, surely, for boys or men to be temperate from preoccupation with healthy amusements (even though the Christian ideal may have little hold on their minds),

than not to be temperate at all. Absolute and invariable purity of motive is the last achievement of the rarest characters. It is better that boys should leave school with an instinctive dislike of idleness, of lounging, of apathy, and indifference,—a habit of industry, of self-respect, and self-control,—a certain appreciation of effort, hard work, honourable ambition, and so on, even though these qualities may not be the highest, and though they may be unaccompanied in many cases by an adequate measure of Christian love and Christian humility. If competition can secure this, it is justified; unless, indeed, there is any actual antagonism between the competitive motive and higher ones. Mr. Lyttelton's contention that there is seems to me to turn mainly upon the mistaken assumptions which I have already examined.

I am now in a position to give a direct reply to one of Mr. Lyttelton's challenges. If I am asked why we condemn the "intellectual pot-hunter," I answer: "We condemn him, not because he loves pots, but because he loves them too much, and other things too little. Pot-hunting, considered as a vice, is the inordinate love of pots, just as gluttony is not love of eating (which even the saint cannot help), but the excessive love of eating, the over-estimation of the gratification of the, in itself, natural and innocent desire for food in comparison with higher and more valuable objects."

(5) One more general psychological reflection will, I think, explain both the source of the difference between Mr. Lyttelton and myself, and the appearance of a difference much wider than really exists. Mr. Lyttelton makes very ample admissions. He admits that a competitive system may have many incidental advantages. The competition for a prize or a place in an examination may supply a standard by which a man may measure his own attainments; it may be regarded as an expression of parental or social approval; or it may be used as an index in the award of scholastic or other appointments. In all these ways the system may be unobjectionable. It is only the prize-hunting for its own sake that is condemned. Now, what is this love of a prize "for its own sake"? Practically, it may almost

be said that a prize or a place on a list never is valued for its own sake, but because it helps a man to believe in his own worth.[1] So with the love of any other kind of distinction: it is valued as an indication of social approbation. The approbation may be of the most superficial order. But even the rich man who surrounds himself with toadies would scarcely enjoy their adulation unless he could indulge in some kind of belief in its sincerity.

Mr. Lyttelton himself seems to admit that it is chiefly the κῦδος involved in prize-winning which constitutes its attraction. But a love of praise for its own sake is treated as no higher than the desire to win so many ounces of gold-medal, or so many calf-bound volumes. But we must push our analysis further. What is this "love of praise for its own sake"? In its very lowest forms surely the love of prizes is something more than a mere love of hearing complimentary speeches. It is open to any man of moderate means to secure an incessant stream of adulatory speech for a few shillings per diem; yet, surely, the veriest idiot never stooped to such a pitch of absurdity as to hire a man to praise him at so much an hour. Insincere flattery, known to be such, may be agreeable to some people, but then the passion to which such flattery ministers is not so much love of praise as love of power, which is not quite the same thing. Praise is thus valued as the expression of human approval. And it is rarely that this approval is valued entirely apart from the question whose approval it is. The schoolboy who seeks popularity among the lowest class of his schoolfellows by ostentatious idleness and defiance of authority; the silliest undergraduate whose title to social distinction is founded upon the height of his shirt-collar, the fatuity of his discourse, and the expensiveness of his habits, still values such popularity as he wins because he imagines that those who approve his conduct are the best judges of conduct. It is the "good fellows" or "the best set" whose respect he supposes himself to be winning. Praise from the

[1] A truth best expressed by Aristotle: Ἔτι δ' ἐοίκασι τὴν τιμὴν διώκειν, ἵνα πιστεύσωσιν ἑαυτοὺς ἀγαθοὺς εἶναι· ζητοῦσι γοῦν ὑπὸ τῶν φρονίμων τιμᾶσθαι, καὶ παρ' οἷς γιγνώσκονται, καὶ ἐπ' ἀρετῇ· δῆλον οὖν ὅτι κατά γε τούτους ἡ ἀρετὴ κρείττων (*Ethic. Nicom.* I. v. 5.)

masters or the dons, from the sixth form or the reading-men of his college, he does not want. Whatever a man's ideal of life, he seeks the approval of those who share that ideal. Now, is this love of social approval to be wholly condemned? Does not its moral value depend entirely upon the nature of the things for which and the persons by whom the boy or man desires to be praised? In one form, Mr. Lyttelton himself is prepared to concede a certain moral value to this love of approval. In some quite young boys he will admit that desire of parental approval may be the highest motive of which they are capable. But why arbitrarily stop here? Of course, the true supreme motive is devotion to the highest moral ideal, which ideal includes in itself the love of other men. But Mr. Lyttelton will hardly be disposed to dispute the assertion that devotion to an ideal is enormously strengthened when it is conceived of as embodied in a person. The love of God is a more powerful motive than reverence for an abstract moral law, and Christians believe that in one man the Divine character has been perfectly expressed. If desire for the approval or (if I may so say) the sympathy of God or of Christ be a lawful motive, why may not the desire of other men's approval, in proportion as their judgments approximate to Christ's standard, be admissible also? No doubt it would be absurd to represent that the kind of approval which is symbolized and expressed by prizes and class-lists is the highest kind of human approval. But still, in the main, surely it is a kind of approval which is not likely to lead the ordinary schoolboy far astray. A schoolboy can hardly ever be tempted to do something which he ought not to do by the hope of winning such approval by all fair and straightforward means. Such ambitions may, of course, be stimulated to such an extent as to extinguish the love of knowledge or the love of virtue. But if so, that is the fault, not of the system, but of those who work it.

Mr. Lyttelton's fundamental fallacy seems to me to be the idea that the way to encourage higher motives is to extinguish lower ones (the fallacy of the ascetics in all ages), or to give them no sphere for their exercise. He would readily acknowledge the folly of not supplying an outlet for animal spirits or

physical energy in a school. He is, I know, a great believer in the value of athletic sports as an aid to purity and an antidote to a whole host of schoolboy temptations: and you cannot have games or sports without competition. Why should he stop at merely physical impulses? Is not the love of praise, the love of struggle, the love of measuring one's powers with those of another quite as natural and quite as innocent (within proper limits) in school as on the cricket-field, or the running-ground? Say what you will of the unselfish character of games, yet no one can seriously imagine that it is mainly for the sake of his House that a boy desires to get into the Eleven or the Fifteen. If Mr. Lyttelton says that the system of competition encourages egoistic impulses, I do not mind admitting that I believe egoistic impulses[1] to be perfectly innocent and right motives of action. It is only when they are in excess, when they interfere with love of our neighbour or other higher motives, that the self-regarding desire becomes "selfish." The higher desires cannot be called into being by the extinction or suppression of lower ones. The natural man cannot be unclothed: he can only be "clothed upon." The basis, the raw material, so to speak, of our highest desires is, after all, the same as that of the lowest. It is by giving a right direction to the natural or animal desires that the higher desires transform the character, that anger becomes indignation against vice, and mere sociability or personal affection rises to the love of God or the enthusiasm of humanity.

Mr. Lyttelton will probably ask, "Do you, then, consider the competitive instinct, the love of superiority, to be an element of the highest Christian character?" I answer that I do regard the competitive impulse as a cruder and lower form of, or at all events as closely associated with, many desires which do find their place, in proper subordination to higher desires, in the very highest type of character—the love of personal efficiency or thoroughness in work, the delight in the exercise of one's highest faculties, delight in the exercise of power and influence for good, love of the approval of those whose approval is worth having,

[1] Strictly speaking, I should, indeed, maintain that ambition, love of praise, etc., are *disinterested desires*—not that they are on that account either good or bad. For further explanation, I may refer to Bishop Butler's *Sermons*.

love of sympathy and the like. An analysis of the complex of motives which Mr. Lyttelton lumps together as "love of the prize" or "love of applause for its own sake," would probably reveal the presence of some of these higher impulses, in various forms and various degrees, even in the motive which impels a very ordinary, well-meaning schoolboy; and these impulses are called into play by a competitive system in a way which, in presence of the athletic spirit and the cultus of pleasure at present prevalent in our public schools and universities,[1] could not be obtained by any other means. All these varied impulses are no doubt closely associated in the average man with a very strong element of pure self-love.[2] And the object of moral education seems to me to be (1) to subordinate love of self to higher objects; (2) to raise the love of approval, sympathy, efficiency, etc., to their highest and purest forms; (3) to subordinate all to the supreme motives, love of goodness or of God, and love of man. Yet the complete extinction even of the love of self is, I believe, neither possible nor desirable; the Christian is not required to cease to love himself, but only to love his neighbour as himself.[3] Further to explain my meaning and justify my position would, I fear, involve the writing of one treatise on moral philosophy and another on Christian ethics. Meanwhile, I will venture to say that there is nothing in what I have advanced which could not be supported from the writings of Bishop Butler and many other most orthodox moralists. I do not say that Bishop Butler's teaching represents the very highest embodiment of the Christian spirit, but it remains the classical expression of just those truths of moral psychology which Mr. Lyttelton's view of human nature seems to me to overlook.

H. Rashdall.

[1] In the universities the extent to which competition takes the place of love of knowledge and independent study seems to me much more open to criticism than the competitive system at an earlier stage. I have no space to examine this side of the question.

[2] It is important to notice that competition in the scholastic sense does not involve the doing of any injury to any one. The boy who is beaten is as much benefited by the struggle which has induced him to exert his powers to the uttermost as the boy who wins.

[3] Or possibly better than himself, though this position has before now been condemned as a heresy.

THOUGHTS ON SOCIAL PROBLEMS AND THEIR SOLUTION.

I.

WHY does the enormous productive power of the present age leave a not inconsiderable proportion of our population in a condition such that well-informed men dispute whether it was not better in ages before the time when the great discoveries and inventions, to which this vast power is due, had been made? Why does an age, when the rights conceded by the richer classes to the poorer are more extensive than in any previous period of history, show an amount of discontent among the poorer classes, so deep and so widely spread as to threaten the existence of that security for property on which, combined with security for persons, all material progress above the state of savagedom depends?

I reply, because human progress really includes *three* stages, which may be characterized as the Individualist, the Legal, and the Social, embodying respectively the principles of Liberty, of Order, and of Mutuality, of which each rests upon the one below it; but, at present, only the *second* step, from Liberty to Order, has been taken, and the *third* stage, by which the permanent well-being of the race would be secured, exists only in aspiration and prophecy. We have, I conceive, arrived at a period when the principle of Mutuality, which has slowly matured in the womb of Order, is becoming ready for its birth, and are agitated by the throes attending this event, and due to the fact that the principle of Order is unable to satisfy the desires to which it has given rise, and even appears to crush the Liberty that its normal action should develop.

Let us examine this proposition more closely. Man, in his

primitive, natural life, possesses no wealth and little security; but, like all other animals, he has, in the spontaneous gifts of nature, so-called, the means of existence, often hard to be obtained, and scanty when got, but open to all alike by the exercise of their natural powers in the Liberty of their own will.

But this state of things cannot last in any country beyond the time when the population can subsist, as do the animals not domesticated by man, upon what nature furnishes without the guiding intervention of mankind. As soon as the number of human mouths to be fed begins to exceed this natural supply, there must set in a time when Liberty tends rapidly to degenerate into anarchy, through the struggle for existence which would threaten the destruction, or at least materially stint, the multiplication of the race. But, then, in all civilized countries, this stage of primitive liberty has been followed by one when—by the exercise of those intellectual and moral faculties which man alone of all the inhabitants of the earth known to us possesses, by observation, discovery, invention, calculation, forethought, perseverance, self-control, economy—men have so directed the life-sustaining powers of the earth as enormously to increase their own means of subsistence; and so applied its inanimate products as to create, to an almost limitless amount, the material wealth by which we are surrounded to-day. How has this been done? By superinducing on the principle of Liberty, that was passing into anarchy from the conflict of wills, in which each sought to satisfy itself without regard to others, the principle of Order. Thus has grown up a civilization, founded on the maxim, laid down by the great Roman jurists, "So to use thy own as not to injure another's."[1] On the security of persons and property, produced by the application of this principle, rests the wealth that has attended the Order of civilization, and has prepared the way for the third step—from Order to Mutuality—to be inaugurated, as I trust, by the present generation, without which, for reasons to be stated below, the logical development of Order must gradually bring about

[1] "Sic utere tuo ut non lædas alieno."

a change in the natural conditions of human life, dangerous to the stability of this Order itself. Let me attempt to trace this change in its main outlines.

II.

The general law of all living, earthly existence, that the present depends upon the past—that no human activity, however great, can sustain itself, but has always to rest upon the *results* of previous activity—applies to the results obtained through the orderly action of man, no less than to those arising from the spontaneous action of nature. But these results are not, like the gifts of nature, open to be appropriated by the first comer. Without the security of ownership they would never be produced. The protection of property has, therefore, always been a fundamental basis of civilized order. "Thou shalt not steal" has been as sacred to it as "Thou shalt not kill." In consequence, those who, not owning themselves the results of past activity, desire to obtain the advantage of them, have been able to do this only by agreement with the actual owners, by contract. Now, if the wealth-creating faculties of men had been evenly distributed among mankind, Order would not have materially altered the equality belonging to the primitive exercise of Liberty. Every one would have owned something which, if he did not use himself, he might exchange with other producers for something else, at what experience showed to be its exchangeable value. And if, in course of time, some rose to the possession of wealth markedly superior to the general level, the elevation would probably have been too much masked by intervening heights to create any gulf of separation between them and their fellows. But the case is otherwise. The faculties by which wealth is created are as unequally distributed among mankind as are the occasions for their advantageous exercise. The great mass of the human race live—and always have lived—in civilized existence, as they did and do in the uncivilized state—from hand to mouth. They have contributed to the production of the wealth by which they are sustained, because the actual wealth-owners have required

these poorer classes, who had no resources on which to live, to do, in consideration of the support afforded them, that which would increase the wealth of those by whom they were supported. But, left to themselves, they would have remained, as the tribes of uncivilized people remain, from generation to generation, at the same common level of universal poverty.

Now, see where we have arrived. Without the principle of Order, and the wealth created under its shelter, the human race could not have increased in any country beyond the number that the natural produce of the earth in that locality could have sustained. Without this principle of Order the struggle for existence must, as the population began to exceed that limit, have led to perpetual war. For the general good, therefore, the firm maintenance of this principle is indispensable. But what a change from the primitive condition of mankind it produces! In place of the passionless necessity of Nature, hard to move, and often very niggardly in her response to the demands made upon her, but equally ready to attend to all who make the demand, the poorer classes find over against themselves the *wills* of other men—wills usually bent, as are the wills of these poorer classes also, on securing out of the accumulated results of past activity the largest attainable measure of individual advantage. And with these wealth-owners they must come to an agreement to render such and such services, for such and such amounts of what may sustain life or promote comfort, while there is no natural basis by which this exchange can be regulated. No doubt, if the exchange of past results against present services were made between persons each of whom could support himself independently of this exchange, a natural basis for agreement would be supplied by the results which the employé could obtain if he were working for himself. And, since this condition must have been common when the accumulation of wealth began, there would have grown up a rate of exchange which has probably constituted unconsciously the basis on which later practice has been founded. But our civilized society, more especially since the great development of machinery, is too far removed from this state to allow of its

influence being distinctly perceptible. The circumstances that now determine employer and employed to offer and accept the conditions of service, in our great industrial establishments, are so various and complicated that the question tends to resolve itself, practically, into a conflict between the opposed wills of two sets of men, directed to what each regards as their own immediate advantage, under the general conditions of demand and supply on which political economy has so strongly insisted, modified by the practice of combination on the one side or the other. Whence the whole operation is converted into a never-ending, and not always peaceable struggle. The kindly sympathy that, in so many cases seeks to lessen the sufferings which this struggle draws after it, shows itself, not so much in modifying the conditions of the contest, as in the use of their resources, more or less freely made by those to whom this contest gives the greatest measure of advantage.

III.

It can scarcely be surprising that a deeply rooted dissatisfaction should grow up with a state of things that so little corresponds to the natural instincts of Liberty—the natural claim of every one to be able to work out his own destiny freely for himself, under the general conditions of existence in the country where he lives. And this dissatisfaction is augmented by the consequences of another natural disposition, growing out of one of the purest human qualities—the affection of members of the same family for each other,—namely, the general desire of parents to save for their children; to secure to them the enjoyment of the accumulated results of their own labours. For thus, as generations pass away, there must naturally grow up, in every country where the wealth-producing faculties of man are in vigorous exercise, a class of persons hereditarily rich; owning from their birth a more or less large share of the accumulated wealth by which the whole population is supported, who, without themselves doing any work, can live upon the income that other men are willing to pay them for the *use* of this wealth as a means of accumulating more wealth for their

own support. Notoriously, it is against this class, especially those among them whose revenues are derived from the use of the wealth arising out of the cultivation or employment of land, that the bitterest reproaches are hurled by modern Socialists. For here that natural action, through which the enterprise and activity of the few raise to a superior level of comfort the wealth-creators on whom the bulk of the population come to depend for their subsistence, is attended by this peculiarity, that the property of the rich seems to be obtained by a violation of the natural rights of the poor.

In all industries except those applied to the cultivation of the earth, and, in a lesser degree, to building or mining, the activity of one man, under the *régime* of Order, is no bar to the activity of another. All seem *called* to try their hands at whatever may appear to them to offer the prospect of remunerative industry, though few may be *chosen* to attain, by the results of this industry, to the wealth that they hope to gain. But the cultivation or other employment of the land necessarily involves in those by whom this industry is carried on a command over the land engaged in the operation; and this exclusive ownership as population grows spreads—at first, over the parts selected for any reason as best fitted for the particular purposes; and then, gradually, over those less eligible; till, in some form or other, the whole available surface becomes appropriated. So that the later comers at Nature's banquet find that, except by agreement with the previous guests, they are shut out from participating in the gifts of the common mother, "hedged in by property to starve;" while they see others appropriating as their birthright the results of the activity by which the universal mother is induced to yield up her treasures, though perhaps they may never do anything to increase the results so appropriated. Now, this class—the "idle drones," as they are reproachfully called by those who forget that the drone is the male bee, without whose co-operation with the queen bee there would exist no working-bees, and who also overlook the fact that these human drones, whatever may be the moral effect of their position on themselves, exercise socially a function very useful

to the well-being of the whole population, since the pleasant lives that the owners of accumulated capital enjoy by its means is one of the most potent motives to the ceaseless activity by which wealth is produced—this class is precisely *the one* that, in all countries where the wealth-creating faculties of men are in active operation, steadily grows. For the accumulated results of human activity habitually exceed their waste; which, indeed, to a large extent, is only a transfer of property from a few thriftless owners to many who grow rich by ministering to their extravagance.

On the other hand, the perfection attained by our machinery for exchange, tends to foster among the poorer population the delusion which the Socialist agitator does his best to maintain, that these "drones," who in the Order of civilization are really one of the main channels through which the accumulated results of past labour are made available to support present labour, are sustained by the work of those whom in fact they support. If we had no common medium into which all the results of labour can be translated at pleasure—if, as in former ages, the movable wealth of the richer classes consisted in cattle, sheep, corn, or other food, and clothes, or implements of labour, stored up—the poorer classes, who come to their richer neighbours to obtain the necessaries of life in return for services rendered, could not fail to see that they were living on the results of former work, which did not belong to them but became available for their maintenance only through the consent of the actual owners. But the man who, at the present day, changes his weekly wages for the food or clothes or shelter or other conveniences that he requires may easily forget that this food and clothes and house-room, etc., are the results of previous activity, not of the work for which his wages are paid. While he is really living on the stored-up results of other men's labours, he is liable to imagine that he is living on the produce of his own work, and that those who, without sharing in this work, claim the results are withholding from him that to which, in strict justice, he is entitled. It is a common experience to hear the object of social reform described as being to

give to the working man "the integral produce of his labour," without any reference to the conditions which alone justify the phrase, namely that, to obtain these integral results, the working man must contribute *all* that is required to produce them—that is to say, not only the labour, but the materials, the tools, the inventive or directive power which will make his labour useful; and, further, that he must be able to contribute this labour, whether of mind or body, without needing to be sustained by other men while he exercises it.

But, behind these distortions of the truth, there remains the important fact that the wealth to which the activity of man gives existence under the influence of Order, not only modifies the relations of men to each other, by adding a new species of inequality, the inequality of possessions to the inequalities of natural and mental power and local surroundings by which men are naturally distinguished, but also radically changes these relations, by gradually substituting, in the case of the mass of the population, in place of means of subsistence open to every one by the free exercise of his natural powers, means of subsistence dependent on the will of other men.

To those who believe in a Divine wisdom manifested in the constitution of mankind, it should not appear strange that, in doing this, our civilization—although, as Mr. Holyoake truly says, "there is hardly any man so poor or miserable in civilized society as he would be in ordinary savage society,"[1]—does not seem to produce the contentment by which uncivilized life, with all its inferiority in material wealth, appears to be generally accompanied. In truth, man has an almost limitless power of adapting himself to every condition which does not involve the destruction of his body, and learns to bear it with patience so long as freedom of will in the exercise of his natural powers remains. The deep root of the disease that preys on civilized society lies, I conceive, in the fact that our civilization, in multiplying means of subsistence, has taken away from the bulk of the population their natural liberty of using these means. Human activity exercised under the primary conditions of moral

[1] *History of Co-operation*, i. 19.

Order, on which all material progress depends—the suppression of violence and the strict observance of contract, has produced wealth. The reasons stated above lead me to the conclusion that the permanent welfare of mankind requires the development out of this action of a social state which, without infringing on the right of property in the wealth produced by Liberty and Order, shall confer on this wealth that general accessibility to the use of those who by this use desire to better their own condition, which men enjoy by the exercise of their natural liberty in dealing with the unappropriated products of nature.

IV.

The problem thus presented may seem to involve a hopeless attempt to unite contradictory elements. But this is not really the case. The development of wealth by Liberty under the influence of Order, has provided us with the means of solving the problem by distinguishing the results of human activity into Capital, Usufruct, and Profit.

1. *Capital.* All civilized life rests on capital, *i.e.* the accumu lated results of that past activity which has transformed the original gifts of nature to man into the wealth that surrounds us.

2. *Usufruct.* This wealth may be used by its owners to create new wealth; but it may also be employed for this purpose by those who do not own it, but help to maintain or increase it by the services that they render in return for its use, either in detail, as wages or salary paid *to* them, or in the gross, by rent or interest paid *by* them.

3. *Profit,* in which I include *Saving,* is so much of the results of human activity, at any given time, as is not used up, but is reserved for the future, more especially in the view of giving employment to fresh labour.

Now *Capital* is, as we have seen, at the present day, through the action of Liberty and Order under the general conditions of human existence, in the hands of a small number of persons; on whom the bulk of the population depend for their subsistence, and who habitually make use of this position for their own advantage. *Usufruct* is either the means of subsistence of the

great body of the people, or the means by which the owners of capital realize their advantages. Both capital and usufruct therefore are mortgaged by the demands of those whom Order recognizes as their owners, so deeply, that only by a change of desires on which it would be foolish to calculate, can any important alteration be looked for in their application for the purpose of introducing a social system, which would probably appear to their proprietors generally, to be the negation of that which made life possible or attractive to them. But to *Profits*, including, as I have said, *Saving*, the course is open. It is the surplus ever accruing, but for the present unpledged. To the gradual accumulation of profits in the past, our present wealth is due. To it we must look forwards to provide the means by which the increasing population of the future may be sustained. Its application is still plastic. To it, therefore, we may turn with a reasonable hope that here we may find the *sesame* which shall open to us the gates of that higher social state after which we aspire; and that by a change which, if thus effected, would probably be so gradual, that the end, however far removed from the beginning, would appear no more revolutionary than our present modes of locomotion appear to us, notwithstanding the enormous change from stage coach and post horse and packet boat, from which they started not half a century since.

Now, what theory thus suggests, practice has confirmed. It is probably known to some, at least, of the readers of this *Review* that, forty-eight years since, twenty-eight poor weavers of Rochdale, for the most part disciples of Robert Owen, undeterred by the failures that had attended the communistic experiments of their teacher, sought the means of improving their own position in the *profits* obtainable from their own consumption of necessaries: by subscribing to purchase these articles on joint account at wholesale cost; selling to themselves at ordinary prices; and returning the surplus, after payment of all expenses, including a charge of 5 per cent. for the use of the capital employed, as dividends on the amount of their respective purchases. The scheme completely solves, so far as relates to the distribution of produce, the problem that we have proposed;

for, by it, the natural conditions of life are reproduced in the sphere of civilization, by a collective action that places within the reach of every one what he has the means of appropriating, in exact proportion to the effort made by him; without giving to any person concerned in the operation special advantage over any other. How well adapted it has shown itself to the needs of the population among whom it has grown up is evidenced by the statistics of its growth, which show that, in forty-six years, the £28 of original capital had, according to the Registrar's returns in 1891, become £10,313,203 Share, and £1,077,299 Loan Capital, held by 954 societies in England and Wales, and 276 in Scotland, with 1,066,350 members, sales retail during the year of £26,843,236, and a net divisible surplus of £3,108,312; of which £27,293 was applied for educational purposes.[1] While, in addition to their own operations, the societies had created two great wholesale centres in England and Scotland respectively, of which the English Wholesale had done during the year a business of £7,284,406, and the Scottish Wholesale one of £2,474,010; and had also formed for the supply of their own wants corn-mills, and baking societies, whose collective sales amounted to £1,720,526.

But great as are the benefits of which the poorer classes may obtain the command by thus restoring, in the operations connected with consumption, the healthy action of natural relations, it is obvious that the system does not directly touch the deeper problems relating to the conditions under which work shall be carried on, and the lives of the workers regulated. The consumers' society deals only with wealth already produced. It enables the exchange of these products to be effected so that none of those who make the exchange derive from the operation any advantage in which others are excluded from participating. But it does not touch that deep problem which, as I have attempted to show, lies at the bottom of our social difficulties: How production shall be carried on so that, without destroying, the conditions which make this production possible, its accumulated results may, like the natural products of the earth, be

[1] These figures do not include those of the Civil Service or Army and Navy Stores.

available for the benefit of all who will put forth the exertion required to make use of them, in proportion to the activity thus exerted.

Happily, however, the solution of this problem has been already supplied by institutions actually in prosperous existence, of which the most perfect, so far as my knowledge extends, is the *Familistère* of Guise; an iron foundry built up by the genius of the late Jean Andrè Baptiste Godin, and transformed by him from a private enterprise into a co-operative association of Capital, Capacity, and Labour, which has continued to prosper after the death of its founder under the constitution given to it by him. As Mr. Godin originally supplied the whole capital, he was free to give to this society the constitution best adapted, in his judgment, to insure its healthy social action, and has given it a form characterized by the following features :—

I. Provision is made—(*a*) For a minimum of subsistence to all the members in cases of temporary failure of work: (*b*) For pensions, in cases of accident, or inability to work after specified periods of service: (*c*) For the care of orphans: (*d*) For supplementing, if requisite, mutual funds, raised to provide for support during sickness, for medicines, and medical attendance: (*e*) For a complete system of nurseries and schools, by which the youthful population, from birth up to the age of fourteen years, are educated under the eyes of their parents, at a cost which, from 1882 to 1888, averaged £1264 9*s*. a year.

II. The remaining profits are thus appropriated—(1) Twenty-five per cent. is applied, in various proportions settled by the deed of constitution, among those concerned in the management; of which two per cent. is reserved for the reward of inventions of recognized utility. (2) The residue[1] is apportioned, between capital and work, in proportion to the wages of each; the wages of capital being taken as equal to interest at five per cent. per annum; and subject to certain qualifications as to the division among the workers which I pass over as comparatively unimportant. (3) The sums thus divided are not

[1] This supposes the reserve to be complete, otherwise twenty-five per cent. is deducted for reserve.

paid away, but are converted into shares credited to the persons entitled, whose personal advantages are thus measured by the growth of the wages of their capital.

Thus the association, if it prospers, becomes the means of gradually but surely converting those to whom it gives support into the owners of those accumulated results of past work, of which, as we have seen, the accumulation in the hands of a small minority of the population, on whom the majority depend for their subsistence, appears to lie at the bottom of our present evils. While, at the same time, the plan preserves in more than its ordinary force, that great source of strength to successful private firms, the growth of their capital out of the accumulation of the profits of their business. For the only sums paid away out of these profits are those representing the wages of capital. The case of the profits thus accumulated not being able to be advantageously employed is met by providing that this surplus shall be applied to repay the existing capital in the order in which it has been acquired, so that no pause can ever take place in the process by which the results of past work are accumulated for the future benefit of the present workers. Under this provision, between the formation of the association, in August, 1886, and the death of M. Godin, in January, 1888, there had been repaid to him 2,990,613 francs out of the 4,600,000 francs, at which the capital of the association was originally valued; and shares to an equal amount had been allotted for the benefit of the workers employed.

But, it may be objected, is not this process, advantageous as it may be for the society, hard on the members, whom it deprives of the right of turning into cash the profits to which they are entitled. I admit that it would be hard on them, but for another important feature in the constitution of the association, by which the governing power is taken out of the hands of the shareholders as such, and vested in a body of workers selected in the way provided by the constitution, who, though required to hold a specified amount of capital, derive no authority from this fact. For thus it becomes possible to concede to the holders of all shares, other than the small number required to be held

by the governing body, entire freedom of transfer without any of those restrictions which would be necessary for the security of the association, if the holding of share capital carried with it a vote in the government of the society. The mass of the capital of the *Familistère* might pass into the hands of persons indifferent, or even opposed to the principles that it embodies, without giving them any power to interfere with the operations of the institution, so long as they receive the stipulated rate of wages on this capital, and the proportionate share of profits attached to it.

V.

By combining the two forms of association described above, the richer classes of this country, in conjunction with any of the poorer classes who might join with them, might, I conceive, introduce, without pecuniary risk to themselves, a system of productive enterprise which, as it spread, would act like oil on troubled waters; substituting a general harmony of interests for the present distracted antagonism; and thus, by the increasing material prosperity consequent on the superior economy of concert over conflict, preparing the way for the fuller growth of those tenderer virtues which the harsh atmosphere of perpetual struggle inevitably blights. Already the richer classes support co-operative stores for their own pecuniary benefit by reducing the prices of the articles which they consume. To convert such stores into the safe means of developing Mutuality out of Order, their customers would have to adopt the Rochdale system of trade. Instead of selling to themselves at reduced prices, they must sell at the ordinary retail prices; and allot the accumulated profits, less the sum allotted as the wages of capital, among themselves as dividends on their purchases, for the purpose of producing the articles required for their own consumption, by societies constructed on a plan similar to that adopted by M. Godin. So that the capital arising from the consumption of these articles would, after securing its own remuneration, become the ever-growing instrument of accumu-

lating, for the permanent benefit of the body of workers employed, the means of employment.

Without any attempt at detail, let us consider a few of the consequences of such a system.

1. While the productive establishments that such a union of consumers might set up would rest upon, though they would not be confined to, the solid basis of their own consumption, and, if they prospered, would afford growing opportunities for the profitable employment of the savings made by their founders, they would not involve these founders in any risk of loss, since the capital employed would be only a part of the income that, but for their union as consumers, they must have paid away in exchange for the articles consumed.

2. The sums thus applied would be, not given away, but invested, so as permanently to increase the income of the investors, who thus would be delivered from the feeling that they were doing an injury to their own families in trying to benefit the families of other men.

3. The constitution of the productive societies might be so framed that they could not, without the consent of the founders, be diverted from their primary object of using for the benefit of the employés the profits on their own work, and turned into the means of enriching the employers without permanently benefiting those whom they employ.

4. Since the site where these works were carried on could be determined by the founders, they might be so placed as to remove the employed from the overcrowding of town life, and enable horticulture and agriculture to be combined with manufacturing industry in a way effectually to check the tendency, often and justly deplored, of the rural population to migrate into the evergrowing city hives in search of work.

5. Thus might be found the simple solution of the problem, how the perpetual increase of wealth in industrial communities may pervade all classes of society—without leaving any residuum of struggling misery,—namely, by the population resolving itself freely into groups of persons owning the lands on which their work was carried on, who, in consequence, could bring the

necessaries of life within reach of the poorest through their own labour, while they possessed the means of conducting their work in the most efficient and economical methods, and therefore with the largest resulting produce.

6. The free choice of the sites for industrial work would allow the combination with these industrial reforms of the reform of the dwelling; the construction of abodes where, as is done by the *Familistère* of Guise, the advantages of wealth may be brought within reach of all classes of the population. The subject is one that might fill a volume in its adequate discussion. I can but allude to it here. But I believe that it would open an almost boundless vista of possibilities for mutual co-operation between the richer and poorer classes to the great benefit of both, which, in the isolated dwellings that are the natural outcome of our uncooperative lives can never be obtained.

7. Productive societies, formed by a body of consumers allied for such a purpose as has been indicated, would, though separate in their management, naturally form a federation, to which a distinct legal character might be given; whence they might derive all the advantages of collective action without being saddled with responsibilities for matters beyond their own control. Common funds might thus be formed for purposes of general utility, and so, the great inequality of the profit realized in different industries be made less injurious than it would be otherwise.

8. The land acquired by purchase, or in some cases possibly by gift, for the use of the federation, might be held as one great estate, in trust for all the industrial establishments formed upon it; and the partial increase of value due to special circumstances, of which so much nonsense is written under the, so-called, "unearned increment," might be made available for the general body, without injustice to those who were its immediate recipients. Thus, whatever is true in the notion of land-nationalization might be realized, without plundering any one, or any violent disturbance of existing relations. Since this collective ownership would come into operation gradually, on lands acquired with the consent of their former owners, who, indeed, would probably find

it to their advantage to exchange the uncertain income derived solely from agriculture for that derived from the stock of the federation, whose sources of revenue were drawn from the united proceeds of agricultural and manufacturing industries, carried on by bodies of workers who were themselves the great consumers of the food that they produced.

VI.

Such are the general outlines of a plan of concerted action, a consumers' alliance, which I suggest for the purpose of evolving out of our present society methods of industrial activity, by which the enormous and yet ever-increasing power of production connected with our scientific knowledge and accumulated capital may remedy the evils now attending the employment of this capital and knowledge, by removing their cause. In conclusion, I would add a few words on the motive by which this evolution can be effected.

That this force must be a manifestation of that principle of love, which every section of professed Christians admit to be the essence of Christianity, will, I think, be generally allowed. Personally, I believe that the moral strength required to carry it into successful operation will generally be found only among those who profess the Christian name. But if these Christian social reformers would effectually reform the mode of conducting industrial operations, they must be *as catholic as industry,*—as catholic as the Church was in the first ages, before the "unhappy divisions" arose by which what should have been her "seamless robe" has been rent into miserable fragments; when her children went forth into the world with the conviction that they were preaching the everlasting gospel to *all* mankind. That any of these workers should be asked to give up any part of what they consider to be Christian truth, I do not suggest: I urge only that in the effort to apply this Christian action to a sphere with which, in this country at least, it has scarcely attempted to deal—*the creation of wealth,* we should base our action on the power of will, and its animating principle of Love, which St. Paul declares to be the highest of "that which abideth," and not on the

faculty of Knowledge, of which the same great apostle declared that it "passeth away." I urge that we welcome, as a true brother, every one who will join with us in this practical work, whether or not he "thinks of the propositions of dogmatical Theology" as we may think. May not the "unhappy divisions" of Christendom be mainly owing to our having reversed the apostolic standing-ground?

It may, perhaps, be objected to the scheme of action proposed in this paper that it is too easy; that there is about it too little of renunciation and self-denial; and that it changes the Christian ideal from the anticipation of happiness in a future state by the direct gift of God, to the hopes of a condition of a general well-being, to be worked out for the coming generations of mankind by the combined action of men. My reply to this objection is as follows:—

1. It will always be open, to every one who pleases, to accompany the action which gives to other men, as a consequence of their labour, a share in the wealth resulting from it proportionate to their share in this production, by a free gift of any part of these results belonging to the donor.

2. The great inequality in the present distribution of wealth, arising from the operation of the causes traced above, has made the direct renunciation of wealth loom in the atmosphere of unselfishness in larger proportions than justly belong to it. St. Paul includes "the giving *all* my goods to feed the poor" among that which "profiteth nothing," if it is not done in that spirit of love of which he gives to the Corinthians his well-known and magnificent description. And has not experience taught us that it is really easier for men to give up, once for all, the advantages that wealth brings, than to exercise in their intercourse with other men that constant watchfulness over themselves which this spirit of love requires?

There is, I repeat, nothing in the idea of social betterment, produced through combined human efforts, to prevent men from personally contributing to that betterment by giving up the wealth to which they may be individually entitled, if they believe that the general good will be better promoted by this

act of self-denial than it would be by their retaining the application of the wealth in their own hands. But we must bear in mind also that what may be noble in the individual, is not therefore necessarily beneficial to the community. "Sell all thou hast and give to the poor," however valuable as a test of character, is obviously impracticable as a rule of general application; for, if all sold, there would be none to buy. While a wide experience has shown that men are much more benefited morally, by wealth honestly earned than by possessions acquired without effort by the bounty of others. Gifts are precious as testimonies of affection; but as a means of promoting social good, the gifts truly useful are gifts of opportunity.

One of the greatest blessings of that associated life which forms the natural outcome of the passage from the sphere of Order to the sphere of Mutuality will, I believe, be that Benevolence will find open before her an unlimited field of action, where she may lay aside the fear that giving is blessed only to the giver, without benefiting the receiver. The life in association will, in fact, reconcile the opposite views concerning earthly prosperity presented in the Old Testament, where it is set before us as the great object of desire, the evidence of the Divine approval of our conduct, and that presented in the New Testament, where the perfect way appears to lie through the voluntary renunciation of all that men naturally desire. The spirit of renunciation will arise, glorified, from the industrial activity in which it seems now to be consumed, when men discover that what the gospel of Christ truly requires in this matter, is *not* the renunciation of possessions, but only the systematic renunciation, through associated work and associated life, of that self-seeking spirit which the pursuit of wealth, when it is not inspired by the principle of Mutuality, is apt to engender.

E. Vansittart Neale.

[Whilst these sheets are passing through the press, news reaches us of the death of the writer at a ripe old age. It would be difficult to find a life more full of example and

instruction than that of the late Mr. Neale. Born to the enjoyment of fortune and a beautiful seat on the banks of the Thames, he devoted himself from an early age to setting forward the good of his fellow-men. He was the companion of F. D. Maurice, Kingsley, and Mr. Hughes in the Christian Socialist Movement; he identified himself closely with co-operation, and to the end of his life was indefatigable in organizing and directing the efforts of the working classes in this matter. Latterly their gratitude to him showed itself in the foundation of a scholarship at Oriel (Mr. Neale's own college) for the sons of co-operators. He was in keen sympathy with the Christian Social Union, and became a member of the Oxford University Branch shortly after its foundation. The end which he set before himself, and which he strove to realize with a rare consistency and faith, can hardly be expressed better than in his own words: "We want to create a state of things in which well-being shall be within the common reach of men, by the persistent use of ordinary capacities, under ordinary conditions."

A fuller account of Mr. Neale's life and work, by His Honour Judge Hughes, Q.C., will appear in our next number.]

NOTES AND MEMORANDA.

"Dr. Cunningham and Economic Laws" (I.).—Mr. Ritchie has written so excellently on *economic laws*, and I so entirely agree with the main positions he takes, that it is rather surprising to know that the peg on which he hangs his remarks is a supposed difference from myself. I can only regret that I did not express myself more clearly; for though, on reading my *Plea for Pure Theory* again, I do not find anything to correct, there must be need for explanation, even if that explanation is little more than reiteration.

1. Mr. Ritchie represents me as trying to "prevent theory and history from quarrelling by keeping them strictly apart" (p. 359). I do not know when or where I may have made this attempt, but I certainly have not done it in the article in question. On the contrary, I explicitly urged that theory and history must be kept in conjunction. I said (p. 34), "both facts and theory are needful in either view;" and I added that, to the historian, economic theory "is an instrument for analyzing, and thus helping to explain economic phenomena."

2. Mr. Ritchie represents me as denying "the *possibility* of economic laws expressing causal relationships" (p. 359). I tried to guard against the danger of such misconception when I wrote: "I reject the *use* of the words law and normal altogether. I do not say that it is *unmeaning*, but I do say it is *confusing*" (p. 41). Perhaps italics may render my point more obvious.

3. Mr. Ritchie also alludes to me as "denying causality in economics" (p. 361, note). Various passages in my article might have led him to pause before making this statement in such a sweeping form. He might also have noticed that I used the word "cause" throughout my article in the definite sense which it has had in English empirical science in recent times; I carefully explained that I did so. My employment of inverted commas, as well as my express verbal limitation, showed I was only speaking of "this conception of 'cause,'" and arguing against the use of the word cause in economics, *in this sense of the term*. But surely such objections to the word "do not prove," to adopt Mr. Ritchie's phrase, that I deny the existence of reason in economic phenomena, or even that I would banish the conception of

cause, as viewed by Aristotle or explained by a sounder logic and metaphysics. It may be possible, sooner or later, to reform all the habits of thinking of the ordinary man of science; but I am not sure that I was unwise, when raising a practical question of method, to adopt his phraseology, deliberately and explicitly, in the course of an article "on the relation of economic theory to the empirical study of economic phenomena" (p. 25).

4. Mr. Ritchie has hardly attempted to traverse any definite statement of mine, as I have expressed it. He has contented himself with arguing against errors which seem to him to be involved in my thesis (p. 361). I am not called upon to defend the opinions he rightly stigmatizes as errors, but only to show that there are no sufficient grounds for attributing them to me.

a. Mr. Ritchie charges me with "error as to the nature of scientific laws" (p. 361). I have urged that the term is ambiguous, and is apt to generate *confusion;* this Mr. Ritchie would hardly deny. I have also tried to show that we can carry on economic investigation and speculation of every kind without it, and that it is not *necessary* to have recourse to it; Mr. Ritchie has not attempted to show that the terms *law* and *normal* are indispensable; so long as Adam Smith continues to be read, this would be a hard task. I adhere to the view that since these modes of statement are confusing, and since we can do without them, it is better to avoid them altogether; but, surely, this does not prove me to be in error about the nature of scientific laws generally; I might have had the benefit of the doubt.

b. Mr. Ritchie charges me with error in regard to the character of economic science. I was pleading for pure theory; he replies that there can be no pure theory, since it must depend on, and be affected by, the language and other circumstances of the time when it was created. I have never asserted that it would not. I only ask for "pure theory" as an instrument to enable us, of this age, with our language, and in our circumstances, to come to a better understanding of economic phenomena in our own time and in bygone times. I regard such pure theory, as I have said more than once, as a valuable instrument for studying phenomena; but I have never felt or expressed much interest in the instrument apart from its use.

c. Mr. Ritchie charges me with error in regard to the nature of history; to him I seem to urge the pursuit of a study which "is impossible except, perhaps, to some kind of lunatics" (p. 369); for when I speak of economic history, it seems I "*can only mean*" (p. 359) something of this sort. Few readers of Mr. Ritchie's article would gather that I had already stated what I *do* mean. I had said

that "we are all agreed that it is the aim of the economist to study phenomena, and that he wants to understand the reasons for certain changes in time; he wants to know about wealth, individual or national, and how it is increased or diminished." I pointed out that the historical student would proceed to isolate certain phenomena, and try to account for them, and I pointed out the advantages which this procedure seems to possess over the rival method of isolating motives and arguing to their results. My claim was that the procedure, which is characteristic of the historical school, gives the best scope for accurate observation and thorough explanation. Surely Mr. Ritchie might have taken account of all this, when he set himself to "justify these statements" about the errors which he attributes to me.

5. With all that Mr. Ritchie writes of the importance of hypothesis as an instrument of study, and as to the validity of hypothetical reasoning, I fully agree; I have tried to say something of the sort myself in an *Address*[1] to which I referred in my article. With all he writes as to the interconnection of economic ideas and events I fully agree; I have spent a good many years in trying to illustrate this interconnection in detail. Indeed, we agree so far that I half think he might come to recognize in my article, if he cares to look at it again, what I hoped it would prove—a means towards the reconciliation of the historical and theoretical schools. Hasty generalizations from the past may be combined with ingenious delineations of normal tendencies in the present, so as to conceal differences which really exist, but cannot remove them. There can be no true reconciliation which does not recognize the importance of each of the factors in the progress of knowledge both of the past and present. This is what I have tried to do.

6. That my "startling thesis" involves the recasting of much recent theory and the discarding some much-used text-books, is true enough. But I cannot think the loss would be irretrievable, while we should have ample compensation; even here I hope that Mr. Ritchie would not wholly disagree. He seems to have little sympathy for mathematical ingenuities (p. 360); he notes that the "facility of general statement has in it something illusory" (p. 364), and he illustrates the ambiguities in the term *nature* (p. 374), as well as those on which I laid stress. Indeed, we agree so far that I have difficulty in detecting the precise point of divergence; but it seems to be here: I hold that the terms "law" and "cause" have—not no meaning, but—so many meanings and so many misleading associations, that in the interest of clear thinking in economics, it is well to discard them altogether, and

[1] *Presidential Address to Section F of British Association*, 1891.

I tried to show that we may do this without loss. Mr. Ritchie recognizes the current confusion, but apparently hopes that, through the diffusion of a sounder logic and metaphysics, everybody may come to use these terms intelligently and consistently after all. I am not so sanguine as he appears to be; but surely that is my misfortune rather than my fault.

W. Cunningham.

August 29, 1892.

(II.) Through the courtesy of the Editors I have been allowed to see Dr. Cunningham's reply to some criticisms in my article on "Economic Laws" in the July number of this *Review*. As I believe that others besides myself were puzzled by this seemingly reactionary "Plea for Pure Theory" coming from a distinguished champion of the historical school, I cannot regret that my partial misunderstanding of Dr. Cunningham's position has drawn from him so emphatic an assertion of his general agreement with the opinions about the method of economic science which I tried to formulate.

I should like to say a few words on each of his first four heads in explanation of the interpretation I put upon his words. His remarks (5) and (6) call for no reply or supplement from me.

(1) What is meant by "pure" theory, except theory from which all empirical, and therefore all historical, matter is eliminated? Does not that imply that theory and history are to be kept "strictly apart," *i.e.* unmixed, even though they may be studied at the same time? To keep a wolf and a lamb alongside of one another in separate cages is not to reconcile them, nor is it to use the one for the sustenance of the other.

(2) Why should Dr. Cunningham be so anxious to reject the *use* of the term "laws," unless he wishes it to be understood by the average person (whose misunderstandings he is anxious to guard against), that the formulæ of economic theory are not in any true or important sense analogous to the "laws" of the sciences of nature?

(3) I must admit that I took the inverted commas as expressive of contempt for the economist who thinks he is dealing with causes, rather than of warning against the logical weakness of English empirical science. But, even if we take "cause" as meaning "cause as understood by English empirical science," I think the assertion that economic theory must be "pure," as pure mathematics is pure, amounts, in the mind of the average reader, to a denial of causality in economics. A theory of rent, however abstract and artificial, must state the "cause" of rent, in the same sense (whatever that may be)

of "cause" in which we speak of the moon's attraction being the "cause" of the tides. No thoughtful person, even if bred on English empirical logic, can fail to see that in neither case is antecedence in time the essential element in "cause." A "pure" theory of rent, which avoids every idea of cause, is something quite unintelligible to me; and, I also think that, if it were possible, it would be quite useless to the historian or the practical investigator of economic facts.

(4) The assertion that economic theory must be "pure," does seem to me, logically, to involve the "errors" mentioned in my article (p. 361). I did not suggest or imagine that Dr. Cunningham himself held those "errors:" (*a*) The *term* "law" is certainly not indispensable; but it does seem to me indispensable to recognize that economic and other social phenomena are not entirely unlike the phenomena of physics, biology, or pathology. (*b*) If economic theory is "affected by the circumstances of the time when it was created," these historical circumstances ought, for the sake of clearness, to be explicitly recognized in the statement of the theory. Therefore, I conclude, economic theory cannot be "pure" without being false or misleading. Euclid can be read profitably by those who do not know when or where he lived (though even they will gain by knowing that he lived before the invention of algebra); Ricardo cannot be read profitably without taking time and place into account. (*c*) Understanding that in his article Dr. Cunningham meant that *all* economic theory, to be sound, must be "pure," I was led to the startling conclusion that if economic theory must never be mixed with economic history, economic history must never be mixed with economic theory: else *some* economic theory would not be "pure." Such "history," destitute of theory, I never for a moment supposed Dr. Cunningham, as a scientific economic historian, to be in the habit of pursuing. Economic theory, to be of any scientific value, must always stand in some positive relation to some concrete facts; and in support of this opinion I appeal from Dr. Cunningham, the special pleader for pure theory, to Dr. Cunningham the economic historian. From his "Reply" I learn that Dr. Cunningham allows that the economic historian may arrive at what people generally would call "causes" and "laws" though he wishes to discard these terms, while admitting the term "explanations" (see his Article, pp. 36, 37), which seems to me quite as ambiguous. Am I right in saying that the real significance of this "Plea for Pure Theory" is simply a plea *against* a half-hearted and hap-hazard use of history (the homage paid by the Deductive Economist to the Historical school), mixed up with deductions from an imperfect psychology, the imperfection not being explicitly recognized?

I may be mistaken, and I speak of course without Dr. Cunningham's experience, but it seems to me that his position is more likely to be misunderstood than mine. The ordinary economist and his echo, the newspaper writer, will be more apt to carry away the impression that economic formulæ are as certain as those of pure mathematics, than to observe that Dr. Cunningham has been emptying his economic formulæ of all concrete significance and applicability. The ordinary economist and the ordinary person will continue to talk of "causes" and of "laws," whatever Dr. Cunningham may say to him; and it seems to me, therefore, better policy, as well as sounder science, to call attention to the true nature of causality and of scientific "laws," than to follow the example of the village school-dame who taught reading by missing out the difficult words.

DAVID G. RITCHIE.

September 8, 1892.

(III.) In the hope that a few additional words may set the matter in a clearer light, I add one or two remarks to Mr. Ritchie's rejoinder, which has reached me in manuscript. I am grateful to him for admitting that he had misunderstood me; but in explaining how he was led to interpret me as he did, he has brought forward a series of new criticisms. The interpretation which he puts upon the words "pure theory," seems to me to be forced, just as much as the interpretation which his article put on my carefully guarded words about "causality."

Mr. Ritchie also explains that while he was arguing against errors logically involved in my thesis, he did not mean to attribute them to me. This disclaimer, which "seems to involve" a rather harsh judgment regarding my reasoning powers, is somewhat discounted by the way in which Mr. Ritchie again tries to connect these errors with phraseology I have used. I take his questions in turn, and answer them as briefly as I can.

(1) Surely there need be no great difficulty about the word *pure* in this connection; it is a convenient one to oppose to *applied* or to *mixed*. It does seem a little gratuitous to take it, as Mr. Ritchie does, as if it were equivalent to some such word as *transcendent*, and meant apart from all experience. In my article the analysis of the process of exchange was spoken of as *pure* theory, since it is distinct from the applications of economic doctrine to practical problems. I also contrasted the *pure* theory of which I wrote, with the *mixed* (or *confused*) theories of modern text-books, which deal with the "equilibrium of normal demand and supply," in "long and short periods." I am glad to find that Mr. Ritchie recognizes the existence of this confusion in

current work. As he surmises, I did feel it desirable to put in a plea against a "half-hearted and haphazard use of history, mixed up with deductions from an imperfect psychology." To such confused theory I opposed what I called, and not without some warrant, pure theory. But I made my protest, not merely in the interest of economic history, which is well able to justify itself, but in the interest of economic science (p. 38), since this seems to be falling into more and more discredit every year.

(2) To reply to his second question, as to my reason for wishing to reject the use of the word *laws*. I should be the last to wish that the ordinary man should think that economic science has *no* true or important analogy with the sciences of nature. But I hold that the modern use of the term *law* is apt to give a *wrong* view of the position of economics in the circle of the sciences. It tends to make students over-accentuate the analogy with physics, and to obscure the close relation between economics and the biological sciences (see my *Political Economy treated as an Empirical Science*. Macmillan. 1887).

(3) The assertion that "economic theory must be pure, as pure mathematics is pure" is not mine, and bears very little resemblance to anything I have said. I have argued in regard to the best methods of economic study on independent grounds; I did make some passing allusion to geometry; but it was a mere allusion, because the analogy between the two studies seems to me quite unimportant. It may be enough to repeat, what I have already pointed out, that the fundamental conception in economics—that of exchange—is much less abstract than those of mathematics.

As to the more general matters with which Mr. Ritchie's rejoinder opens and closes: (*a*) I am quite prepared to admit that my article is "*reactionary;*" it is a sign of the reaction against a tendency which has been lately dominant in English economics. I said as much in the final sentence of my article; I hope to see a return to something more nearly resembling the position taken by John Stuart Mill. I would desire to discard the recent developments which have been popularized by Professor Marshall, and I am heartily glad that Mr. Ritchie has made no attempt to defend them.

(*b*) It is desirable to avoid confusion, not merely for the sake of the public, but in the interests of science. The danger of popular misunderstanding was a point I raised at the close of my article, after I had already tried to establish the superiority of the methods for which I plead, on grounds which affect the progress of this branch of knowledge; my main argument had regard to the work of students, not of newspaper men. I have charged the new school with carelessness

about definition, and consequent confusion of thought ; as well as with taking a line which tends to insufficient observation of fact, and condemns them to merely partial explanations of phenomena. These are serious charges, not lightly made ; I feel more confident that they are well founded, since Mr. Ritchie has made no attempt to rebut them.

W. Cunningham.

September 10, 1892.

The Belgian Higher Council of Labour,[1] recently created, consists of forty-eight members, sixteen representing the masters, sixteen the men, and sixteen being selected economic experts. All these members have been nominated by the Crown, for the first four years. After this, the Councils of Industry and Labour are to elect the first two divisions. This council will deliberate on trade statistics, apprenticeships, technical education, insurance, contracts, strikes, —and all such questions as concern capital and labour. They will secure an exchange of ideas between masters and men, and will aid legislation by suggestions made to Government. The council is strictly analogous to already existing consultative bodies on commerce, industry, and agriculture.

When the nominations of labour members was made by Government, the general council of the workman's party decided to press the Socialists nominated to decline to serve, on the ground that a majority of labour members had been chosen from the clerical workmen, whereas the majority of workmen elected on to the council of labour are Socialists.

It is doubtful how far they are right on either point. It would appear that an honest effort was made by the Government to represent all shades of opinion.

In any case, at the end of four years, the elective principle will be adopted : and Belgium will thus have fully organized her courts of arbitration.

T. C. Fry.

The Swiss Labour Bureau.—The Swiss Confederation has for some time pursued the practice of subsidizing the secretaries of associations of a public character, such as those connected with agriculture, with commerce and industry, and with trades and crafts. In the same manner, the head of the Labour Bureau established in 1886, who is called "the secretary of the working men," is chosen by a congress

[1] *Foreign Office Report*, No. 233. 1892. 1*d*.

representing the whole of the working men's associations of the country, and the operations of the bureau are directed by a *comité directeur* appointed by a great federation of Swiss trade and labour unions, while the sum of £800 a year is allowed by the Federal Government for the expenses of the *secrétariat ouvrier*. In addition to the central office at Zurich, a branch office has recently been opened in the French-speaking part of Switzerland with an *adjoint romand* in charge. The Swiss Labour Bureau has published useful compilations dealing with the statistics of accidents in factories, etc., and with the question of State action in regard to the insurance of workmen against injuries and sickness. The chief of the *secrétariat*, M. Hermann Greulich, has from time to time prepared valuable comments on, and suggestions in respect to proposed industrial legislation, a report on picketing and intimidation, a project for voluntary conciliation boards, and various papers relating to other matters; and he and other members of the staff have given numerous lectures on the subjects dealt with by the bureau, and on economic questions of interest to the working classes. The advice and assistance of the bureau has repeatedly been obtained by working men having claims against their masters under the law relating to employers' liability or otherwise, and upon other points. The bureau has upon several occasions directed the attention of the factory inspectors to circumstances requiring their intervention. It is intended that the bureau shall obtain and publish statistics of wages, and for this purpose a considerable number of manufacturers readily agreed to send their books to the *secrétariat* for inspection. The head of the bureau has on a few occasions been called in to assist in settling questions of wages, and has succeeded in his task of conciliation. It would appear that the Swiss Labour Bureau, although its organization is entirely in the hands of the working classes, has by its judicious action to some extent secured the confidence of the employers.

David F. Schloss.

The "Report on the Condition of Labour in Hungary."[1]—The social standpoint of every nation is interesting, even that of comparatively backward nations. The industrial development of Hungary is young. Only since 1867 has she developed a native industry. The progress has been rapid: factories are springing up; mining, manufacturing, commercial enterprises too. Technical education is spreading; although, at present, the workman's level must needs be lower than (say) the Englishman's.

The relations between employer and employed are based on a

[1] *Foreign Office Report*, No. 238. 1892. 3*d*.

voluntary contract; a week's trial gives it binding force; a fortnight's notice terminates it. Piecework cannot be left till finished. On certain legal conditions, a workman may be dismissed or a master left without notice. Every workman has a registered work-book.

The relations between masters and men are mostly undisturbed. The Slovak or the Wallach, who does most of the ordinary labour, has not learnt to aspire. The Galician Pole lives cheaply, saves, and goes home to buy a plot of land. The Magyar has yet to gain skill in labour; he is gaining it fairly fast, but he is of unsteady application. The German and the Czech, who are teaching him, are the better men, of a wider education, and necessarily less satisfied with their position. As education spreads, wants multiply, and intelligence expands, it is rightly thought that the workman will be less patient of his present position.

Socialism of a mild and not of an anarchic character is spreading. The State is on the side of the capitalists, gives the worker no room, labels him from his earliest years. The State is by far the largest employer of labour, is itself a huge capitalist and monopolist, not exactly an Alma Mater. The Government is becoming a vast commercial undertaking, yet it is not a truly democratic organization.

There are established by law industrial corporations, but they are rather associations of small masters than unions of workmen. They are intended to maintain proper relations between masters and men, masters and apprentices, workmen and the industrial authorities. They establish courts of arbitration, in which the working-man element is selected, not elected.

During a strike no relief funds can be diverted to its maintenance. The apprentice system is not favoured by the masters, as the law lays on them heavy responsibilities as to education. This is unfortunate, as thus only can Hungary obtain skilled workmen.

While 24 per cent. of the factories work twelve hours per day, 0·4 per cent. work eight hours. On the whole, however, the hours are not more unfavourable than in Austria. In metal mines, for the most part, three shifts of eight hours each are used; but various methods are followed. In coal mines, two shifts of twelve hours each (with an hour or so of rest) are used. But here, again, varieties are found. There is a Sunday-rest law, but the list of exemptions is long. It was always customary to close at noon, and the law has done little more than make the custom obligatory.

In 1891 a law was passed to enforce relief funds. Previously 60 per cent. of the working classes were unprovided for in sickness. By this law 2 per cent. of wages at least must be paid to a fund on behalf

of all working men and women, with certain exceptions. Of this contribution the employer must pay one-third, and he is liable for the payment of the whole, which is collected like a public tax. In the case of apprentices and youths, the employer must pay all. The law is not liked. The master considers his burden too heavy; the workman dislikes Government control of funds.

Other associations have been long in existence, the mining confraternities for centuries. They even aim at a pension fund, but they are not financially justified in so doing. At Buda-Pesth there is also a relief fund, which has worked well since 1870. The question of accident insurance is being now dealt with by Bill. About a hundred and twenty establishments have hitherto insured their men.

Workmen's budgets are given, by which it appears that the workman can rarely save, and that only in the provincial factories, where rent and board are cheaper, can he hope even to save a little. In factories there are a good many common dormitories, with trestles and straw-sacks for beds. Needless to add, they are not sanitary. Workmen's blocks are better; but here, too, is the old problem, how to house the poor?

"Low wages, long hours, dear provisions, high rents, little saving." Yet these poor fellows, unhelped by the "classes" about them, are trying to form societies for study and instruction. The clergy do but little amongst them; "few efforts are made by any class of society to entertain or instruct them." Are we surprised to hear of absence of religion and the *union libre?*

In some respects the agricultural labourer is better off, thus in the Alföld, the great central plain, he is prosperous.

In Upper Hungary the Slovak is intellectually backward, lives on spare diet, and has no aspirations. In West Hungary the soil is fertile and wages high. In Transylvania the Rouman gets little and is content with little.

The field-labourers have a hard life, but their wages are fair; they are well treated, can save, and become small proprietors. The Magyar himself is sober and of wonderful endurance. There is little extreme poverty amongst the agricultural classes.

T. C. Fry.

The "Report on Earnings of Labour and Cost of Living in Chicago"[1] is worth the study of intending emigrants. It suggests the necessity of labour bureaux, not private but public, whence such information as is here found could be made known to workmen.

[1] *Foreign Office Report*, No. 235. 1892.

It is clear from it, that the McKinley Tariff has not increased the workman's earnings ; that wages have even tended to fall, *save when labour-unions have prevented it.* The actual savings of labour at the best are small ; rent, clothes, and some other necessaries of life are so very high. It would appear that the immigrant has often merely considered the rate of wage and not the rate of living. The influence of trades-unions is very apparent. There is a difference in the same district of £20 per annum in average earnings, and fewer trades-unionists are idle. The eight-hour day has been secured by the action of the unions for thousands, and for thousands more a nine-hour day.

Meanwhile the example of waste and extravagance on the part of the rich is telling on the simplicity of the poor ; small economies, whether through this example or through the pace at which life is lived, are more and more neglected ; many workmen can scarcely make both ends meet ; many declare themselves actual losers.

In Missouri the city employé gains in income 24 per cent. above the hand at the country factory ; but, while living is 15 per cent. cheaper, rent and clothing are dearer in the country. Hence the annual surplus of earnings is actually 50 per cent. higher in the city.

Labour agencies in private hands are for the most part mere frauds on the unemployed. It is clear that labour bureaux are wanted and that the State should organize them. In Ohio, free public employment officers have been created by an act of legislature.

Some remarkable evidence is given as to agricultural depression, of which England has no monopoly. For the last decade in Iowa the general range of prices in local markets has been below the cost of production.

The total loss has been over £13,000,000. All crops, except potatoes and flax, have suffered. Speculation and the middleman are largely the cause. These parasites of industry, as they often prove to be, have preyed upon the farmer. High prices, caused by protection, have done the rest.

In regard to expense of living, some instructive tables are given. It would be an interesting work to compare them, point by point, with their English equivalents. It appears, at all events, that 88 per cent. of mechanics and labourers in Iowa earn less than the minimum cost of living for an average family. This gives our emigrant cause to think. As usual, the drink fiend is at the bottom of much evil. If the score had not to be paid, says the report, on a Saturday night, in a few years most artisans could buy a house in Wisconsin. In fact, the Wisconsin men have the brightest report.

The whole report is worth reading. One feels that the great

problems of capital and labour have only been hitherto deferred somewhat in America by the cheapness of land and so of necessaries of life. But free land is practically exhausted in the States : a rise has come : prices will rise too : and, unless a very sweeping tariff reform is soon begun, the Old World problems will only be intensified.

T. C. Fry.

Profit-sharing.—An association for the promotion of profit-sharing has recently been formed in the United States. Its president is the head of the Washington Labour Department, Mr. Carroll D. Wright, while its vice-presidents are President F. A. Walker of the Massachusetts Institute of Technology and Mr. F. O. Nelson, who is at the head of a flourishing business in St. Louis. The secretary and treasurer is the Rev. N. P. Gilman, the author of a treatise on profit-sharing published in 1889, which has had a deserved success. The Executive Committee consists of a railroad director, four manufacturers, and a well-known economist, Professor F. H. Giddings. It is the intention of the association to establish a bureau of information for the benefit of firms interested in profit-sharing, and to bring out a quarterly journal on the lines of the *Bulletin* published by the French Profit-sharing Society. The systems which the association is intended to promote include, in addition to profit-sharing, all methods of "gain-sharing," "earning-sharing," premium payment and kindred systems. The address of the secretary is West Newton, Mass., U.S.A. Mr. Gilman writes that he would welcome the institution of a similar association in this country, and that the forthcoming journal would then be able to serve England as well as the United States. It is to be hoped that this suggestion will be taken up by some of our leading profit-sharing employers. Economists will, no doubt, be ready to assist ; but the mainspring of the movement must be in the hands of "practical men." Our business men distrust "mere theorists ;" and if profit-sharing is to spread in this country, its wider adoption must be advocated chiefly by employers possessing actual experience of its operation.

David F. Schloss.

LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

The *Shop Hours Act*, 1892 (55 & 56 Vict., chap. 62, 4to, 3 pp., ½*d.*), which came into operation on September 1st, provides that no young person, *i.e.* no one under eighteen years of age, shall be employed in a shop for more than seventy-four hours, including meal times, in any one week. Young persons employed in factories and workships are not to be subsequently employed in shops beyond the hours permitted by the Factory and Workshop Act, 1878. In shops where young persons are employed, a notice referring to the Act is to be exhibited in a conspicuous place. An employer contravening the statute is liable to a fine of £1 for each person illegally employed. Section 8 provides that "the council of any county or borough, and in the city of London the common council, may appoint such inspectors as they may think necessary for the execution of this Act."

The genesis of the Act is to be found in the *Report from the Select Committee on the Shop-hours Bill, together with the proceedings of the committee, minutes of evidence, appendix, and index* (House of Commons Paper, No. 287, fol., xiv., 281 pp., 2*s.* 5½*d.*). The bill, which was sent to the committee, proposed to extend the provisions of the temporary act of 1886 to adult women. It was shown, however, that if this were done there would be some danger of a certain number of women being supplanted by men, and consequently the proposal received very little support. The majority of the committee were, on the other hand, not inclined to suggest that men's hours should be regulated, and consequently recommended the re-enactment of the law of 1886, with the addition of the provision allowing the local authorities to appoint inspectors to enforce it. Why the enforcement of the act should be entrusted to the local authorities, the committee has not thought necessary to explain, though it might very reasonably be contended that this is the very kind of legislation which should be enforced by imperial and not by local authorities and officers. The arrangement was probably suggested by considerations of economy, as Mr. Lakeman gave evidence that the work might be combined with the sanitary inspection now carried out by local authorities. The

minutes of evidence taken by the committee seem to tell decidedly in favour of the view that the present act, like that of 1886, will be a dead letter, and that the only way in which legislation can effectually check excessive hours is by imposing a hard and fast limit on the number of hours per week and per day for which a shop may remain open. Provided that each shopkeeper were allowed to choose by public notice in his window the particular hours during which his shop would be open, the evidence suggests that the limitation would be of benefit to all the classes concerned, and an inconvenience to scarcely any one. The proposals for fixing the hours of closing by trade option and local option seem hopelessly impracticable, because there is no wall of separation between different trades and different localities, and because different shops in the same trade serve different classes of customers.

The committee does not seem to have been troubled with any fear of going outside its province, and collected much curious information with regard to the relations between shopkeepers and their assistants. In London it seems the general and almost universal practice for the shopkeeper to provide board and lodging for his assistants. Now this board and lodging naturally varies immensely in quality, but the candidate for a post, though he may ask about wages and hours, may not ask, it seems, a single question as to the rooms he is to live in or the food he is to eat. "A man who, in applying for a situation, would dare ask the question as to the accommodation for sleeping or for living would be at once set aside, and be told there was nothing for him" (3957). It is to be hoped, however, that no one will throw stones at the shopkeepers on this account unless he has satisfied himself that the remark would not equally apply to the case of domestic servants engaged for his house. When the number of assistants employed is very large, the shopkeeper often provides a doctor for them, and this gave rise to rather a sensational incident in the committee-room. A witness alleged that a young woman, in whom he had obviously taken a deep interest, had been killed, "a year ago to-day," by the incompetence of the doctor selected by her employer, and by the positive refusal of the employer to allow a doctor called in by the assistant herself to continue his attendance. Asked who this employer was, the witness named a large shopkeeper who had already given evidence before the committee, and had seemed an admirable Crichton among employers. The situation was dramatic, but the connection with the hours worked in shops is scarcely obvious. For the explanations of the employer readers must be referred to the blue-book itself, which teems with what those who dislike statistics call

"human interest." Mr. Blundell Maple examines an Oldham co-operator as to the profits of his society with unconcealed amazement at their magnitude (5109—5115). A publican prefers women to men behind the bar because, among other things, "men are liable to drink" (3276); but a barmaid avers that long hours make barmaids "think that a little brandy sometimes revives them, and they take more; and they get rather fond of it sometimes" (5690). The blue-book closes with her answer to the question, "On the whole, do you think it a desirable occupation for a young lady?" "Well, no."

The Technical and Industrial Institutions Act, 1892 (55 & 56 Vict., chap. 29, 4to, 4 pp., ½*d.*) is intended to simplify legal procedure on the acquisition of land by institutions for promoting technical and industrial training.

The Small Holdings Act, 1892 (55 & 56 Vict., chap. 31, 4to, 12 pp., 2*d.*) enables county councils "to acquire any suitable land for the purpose of providing small holdings for persons who desire to buy, and will themselves cultivate, the holdings." A small holding must exceed one acre in area, and either be less than fifty acres or less than £50 in annual value. The holdings may be either sold or let. If a holding is sold, the purchaser must pay at once not less than one-fifth of the price, one-fourth may be secured by a rent-charge, and any remainder is to be repaid by half-yearly instalments within fifty years. For twenty years, and afterwards so long as any of the purchase money remains unpaid, the holding remains subject to a number of conditions designed to secure that it shall not be diverted from its original purpose. After this, if the owner wishes to use it for non-agricultural purposes, he can only do so after the county council, the persons then entitled to the lands from which the holding was originally severed (if any), and the person or persons whose lands immediately adjoin it, have all refused to buy it as "superfluous land" under the Lands Clauses Consolidation Act, 1845. Part II. of the act enables county councils to advance four-fifths of the purchase-money to the tenant of a small holding on a private person's land, who desires to purchase his holding. Part III. contains the important provision that "a county council shall not acquire land under this act save at such price that, in the opinion of the council, all expenses incurred by the council in relation to the land will be recouped out of the purchase-money of the land sold by the council, or, in the case of land let, out of the rent, and shall fix the purchase money or rent at such reasonable amount as will, in their opinion, guard them against loss." If, in spite of this provision, charges on the rates rise to near a penny in the pound, no more land is to be bought till they are diminished.

The *Alkali etc. Works Regulation Act*, 1892 (55 & 56 Vict., chap. 30, 4to, 2 pp., ½*d.*) amends the Alkali etc. Works Regulation Act of 1881, by including in its scope a fresh batch of various kinds of chemical works in which sulphuretted hydrogen is evolved, and excluding certain salt works. An interesting account of the difficulties met with in the attempt to prevent the escape of noxious gases will be found in the *Twenty-eighth Annual Report on Alkali etc. Works by the Chief Inspector* (Command Paper 6681, 8vo, 101 pp., 6*d.*). The Chief Inspector relates with pardonable pride that he "was recently assured by a manufacturer of eminence, that so highly did he value the visits and examinations of the district inspector, that he would consider it worth his while to contribute £100 annually, rather than that the office should be abolished."

The *Annual Local Taxation Returns: Year* 1889–90; *Part vii., Summary* (House of Commons Paper, No. 368, v., fol., xxxii., 73 pp., 10½*d.*) appears this year later than ever. Whatever else the Local Government Act may have done, it certainly has not simplified local finance, and the tables which filled 66 pages in the summary for 1888–9, require 73 in that for 1889–90. The total current expenditure of the local authorities increased from £47,082,128 in 1888–9 to £48,179,573 in 1889–90, the increase being very equably spread over the various heads of expense. The revenue receipts increased from £47,975,705 to £50,237,862, the increase being for the most part accounted for by the rise in the subventions from imperial taxation, which were £4,790,860 in 1888–9, and £6,525,395 in 1889–90. The expenditure from loans amounted to £7,088,554 as against £6,994,632 in the preceding year. While seven millions of new debts were thus added to the total of £195,442,397 outstanding in 1889, about four millions of old debts were paid off, so that the net increase was £3,228,915, a sum very little in excess of the increase during 1888–9, which was by far the smallest that had taken place for a long period. Against the total of £198,671,312 outstanding in 1890 there was to be set a sum of £5,610,639 laid by in sinking funds, but the returns do not record how much there was in 1889.

The *Return of rates of Wages paid by local authorities and private companies to Police and to work-people employed on Roads, etc., and at Gas- and Water-works, with report thereon* (Command Paper 6715, fol., xlix., 109 pp., 1*s.* 3*d.*), is part iv. of the returns of wages which the Board of Trade has been collecting in consequence of a resolution of the House of Commons, passed in March 1886. Volumes relating to textile trades and mining have already been issued, and it is hoped that the whole work will soon be completed by the publication of two

more volumes dealing with engineering trades and railway employment. The returns in the present volume relate primarily to the years 1885–1886, but an attempt has been made to show the effect of subsequent changes. The numbers of persons whose wages have been collected or computed are about fifty thousand in the police, thirty thousand in gasworks, twenty-five thousand on the roads, and five thousand at waterworks. The most accurate and trustworthy portion of the information given is naturally that which deals with the police. The average rate for ordinary constables varies from 27*s.* 10*d.* per week in London, to 22*s.* 4*d.* in the south-western counties. The extra 25 per cent. obtained by the London policeman is, it is to be supposed, the economic equivalent of the disadvantages of town life. Little that is of value can be deduced from the returns relating to roads, especially in the country districts, where the work is very casual and to some extent merely a form of poor relief. The number of persons employed in connection with waterworks is small, and the propriety of classifying the general labourers casually engaged to lay a new main under the head of waterworks employés may be questioned. Among the information relating to gasworks will be found a curious table showing that in Lancashire, and some other places, stokers working twelve hours are paid less than stokers working eight hours. This is evidence of a most remarkable amount of economic friction. In the large towns of Scotland, however, there is a considerable difference in favour of the twelve-hour men.

The *First Report of the Royal Commission on Labour* (Command Paper 6708, fol., 4 pp., ½*d.*) is merely a note explaining how the Commission had divided itself into three committees, and introducing the following minutes and digests of evidence: *Minutes of Evidence, with appendices, taken before Group A—mining, iron, engineering, hardware, shipbuilding, and cognate trades—of the Royal Commission on Labour, vol. i., Mining* (Command Paper 6708, iv., fol., 492 pp., 3*s.* 10½*d.*); *Digest of the Evidence taken before Group A, vol. i., Mining* (Command Paper 6708, i., fol., 106 pp., 10½*d.*); *Minutes of Evidence, with appendices, taken before Group B—transport and agriculture,—vol. i., Docks, Wharves, and Shipping* (Command Paper 6708, v., fol., 698 pp., 5*s.* 9*d.*); *Digest of the Evidence taken before Group B, vol. i., Docks, Wharves, and Shipping* (Command Paper 6708, ii., fol., 98 pp., 9½*d.*); *Minutes of Evidence, with appendices, taken before Group C—textile clothing, chemical, building, and miscellaneous trades,—vol. i., Textile* (Command Paper 6708, vi., fol., 509 pp.); *Digest of the Evidence taken before Group C, vol. i., Textile* (Command Paper 6708, iii., fol., 103 pp., 10*d.*).

If the 1699 double-column folio pages of minutes of evidence, with their 31,647 questions and answers, had appeared alone, the anticipations of those who held that the appointment of a commission to investigate what might almost be called things in general could produce nothing useful would have gone far to be realized. Amid such a mass of matter the most diligent inquirer would have lost his way. But the publication of the *Digests* puts a different face on the matter. These are arranged on an excellent plan, well carried out. The first half of each of them consists of a *précis* of the evidence, the witnesses being grouped according to the locality they represented. There is a marginal summary, and a short and useful index of subjects treated. This *précis* is followed by four abstracts, a glossary of the technical terms used in the trades dealt with, and a very brief analysis of the evidence of each witness. The abstracts are—No. 1, Strikes and Lockouts; No. 2, Eight-hours Day; No. 3, Arbitration and Conciliation; and No. 4, Acts of Parliament. It is absolutely necessary to observe that, in spite of the general excellence of the digests, any one who desires to go into matters thoroughly must keep the minutes themselves at hand for reference, since, as is almost inevitable in so great a work, inaccuracies are not altogether absent. For example, in the digest of Group B, p. 57, col. 1, a witness is made to propose that a dispute should be arbitrated on by a working stevedore not "acquainted" with the particular job, whereas the word he actually used is shown by the minutes to have been "connected," the sense being obviously entirely different. Again, in the A digest, p. 57, col. 2, a witness is made to offer the somewhat surprising statement that the average cost of raising coal to the bank is less on the continent than in this country, whereas reference to the minutes shows that all he did was to answer a question of Sir W. Lewis as to what would happen "assuming, for instance, that on the continent the average cost of putting coal on the pit bank is 6*s.*, but the average cost here, we will say, is 7*s.*;" the assumption is certainly a bold one, but it is made by the commissioner, not by the witness.

The evidence which is dealt with in the last of the four abstracts—that on "Acts of Parliament"—will probably be the most fruitful. It shows very plainly that a great deal of amendment is required in the Employers Liability Act, the Merchant Shipping Acts, and other existing legislation, and the recommendations of the Commission, being based on a fairly comprehensive view of the whole of the circumstances involved, will, if they appear within a reasonable length of time, probably be of more value than piecemeal suggestions made from time to time on the occurrence of particularly hard cases. The opinion of the

Commission with regard to the law against crimping, on the doctrine of contributory negligence, and on the subject of law costs in claims for compensation under the Employers Liability Act, will be looked forward to with special interest. It certainly seems as if parliament might well be asked to make its wishes plain, instead of leaving them to be guessed at by one court after another, at enormous expense to the unfortunate litigant.

The evidence collected with regard to what is called an eight-hours day will not probably shake the opinion of its advocates, but it will certainly confirm the opinion of those who believe that almost any legislation on the subject would do more harm than good. The conditions under which industries are carried on in different places appear to be so diverse that it would seem to be impossible to entrust the regulation of hours to trade option—that is to say, to a vote of the whole number employed in an occupation throughout the country; and to local option the eight-hours men themselves appear to object. It is interesting to observe that the London advocates of an eight-hours day are much influenced by the desire to provide for the unemployed, while the northerners confine their attention to their own interests.

As to strikes and lock-outs, and arbitration and conciliation, the Commission is collecting an immense mass of information, from which it is safe to say that no very startling conclusion will be deduced.

One of the strongest and most effective of the witnesses is Mr. J. H. Wilson of the Seamen's Union, whose imprisonment at Cardiff a short time ago excited ill-timed and unseemly jubilation in certain quarters. Question and answer No. 9951, in Group B, might well be pondered over in those quarters: "*Prof. Marshall.* Does not that rather mean that in that particular case they suspected the motives of some of the people? *Mr. J. H. Wilson.* They are always suspecting the motives of the people who have anything to do with trade unions."

The Foreign Office has published the following papers in continuation of its work of collecting information for the use of the commission: *Report on the Condition of Labour in Hungary* (Command Paper 6551—29, 8vo, 44 pp., 3*d.*). *Report on the Condition of Labour in Austria* (6813—10, 8vo, 42 pp., 3*d.*). *Report on the Condition of Labour in Switzerland* (6813—4, 8vo, 106 pp., 6*d.*). *Report on the Brussels Labour Exchange* (6813—9, 8vo, 6 pp., ½*d.*). *Summary of the evidence taken by the state commission appointed to examine the question of Labour, Wages, etc., on Dutch Rail and Tramways* (6813—8, 8vo, 14 pp., 1*d.*). All these are crammed with facts, and the Commission will have to work hard if it is to digest all that is laid before it.

Other Foreign Office papers of interest are the *Report on the Earnings of Labour, and Cost of Living in the consular district of Chicago* (6551—26, 8vo, 42 pp., 3*d.*). *Report on the creation and constitution of a Higher Council of Labour in Belgium* (6551—24, 8vo, 8 pp., 1*d.*), and a *Further Report on Provisions of industrial population for Old Age in Russia* (6813—2, 8vo, 3 pp., ½*d.*). The first two of these are noticed in another portion of this *Review*. The third merely gives a short account of the Miners' Association provident funds established at government mines.

Edwin Cannan.

ERRATUM.—In the July number of the *Review* it should have been stated that the *Reports* on factory legislation mentioned on p. 415 relate to the Netherlands.—E. C.

REVIEWS.

LE GOUVERNEMENT DANS LA DÉMOCRATIE. By E. de Laveleye. [2 vols. 387 and 472 pp. F. Alcan. Paris, 1891.]

It is sad to think that these two volumes are the last which we shall see from the fertile pen of M. de Laveleye. His range of subjects was so large, his knowledge of the circumstances and the literature of different European peoples so extensive, his sympathies so wide and his mind so clear, that he occupied a position of his own in the economic world. Whenever a subject came to the front, whether in politics or economics, we were certain to have some lucid contribution to its discussion from the pen of the Belgian *savant*. It was not so much, perhaps, for new light that we looked, as for an orderly statement of arguments, a judicial summing up, and an intelligent, if somewhat one-sided, judgment. All these characteristics are to be found in his two volumes on Democracy. The work makes no pretensions to finality, it is in no sense metaphysical, but it is plain and straightforward, and, in the best sense, popular. Its prevailing fault is one almost inseparable from the work of a modern publicist. It is disjointed, and it lacks connection, a number of individual points are enforced, but there is a want of general impression on the mind of the reader. Mr. Jowett says of more than one of the Platonic dialogues, "No definite result is reached, but the conception is deepened," and it would be difficult to find a more apposite criticism for M. de Laveleye's work. The admirer of democracy may find much to temper his enthusiasm, for the writer is fond of posing as the "candid friend" of that institution, and, on the other hand, the most timid conservative can hardly fail to put down the book with a feeling of encouragement and hope.

After some general reflections on the nature and aims of the State, our author defines its end as being "to make laws which permit individuals to enjoy, without interference, the fruits of their labour, and to develop their faculties;" a definition which permits both of an individualistic and a socialistic interpretation. Of the two, he leans rather to the first, whilst confessing in general terms that the drift of modern tendency is inevitably towards the second. The organic theory of the State he dismisses as a misleading metaphor, which encourages the

sacrifice of individuals to what is thought to be the good of the "body social." A fair illustration of his method is to be found in the chapter which deals with the relation of Church and State. Three possible solutions of the question are given: (i.) Subjection of the State to the Church; (ii.) Subjection of the Church to the State; (iii.) Complete independence, one of the other. It might be objected that such an analysis is too simple to explain the facts, but a stronger objection still might be made to his assumption that democracy is irresistibly moving towards separation. Granting his previous assumption that the sphere of the State is constantly growing, it might well be argued that some provision at least for the spiritual needs of its members must ultimately be guaranteed by every State. On the other hand, the chapters which deal with the dangers and difficulties which separation entails are well worth study, and are illustrated by the position of M. de Laveleye's own country, Belgium, at the present time, in the matter of public education. After a short but conclusive statement of the importance of forms of government to a people's well-being, we have several rather discursive chapters (which remind us of Mr. Sydney Buxton's "coach" to the understanding of political questions), on the attitude of democracy towards luxury, corruption, alcohol, public debts, right of bequest, and many more. It cannot be said that, apart from the weight of the writer's individual opinion, very much is added to our knowledge, but an exception may perhaps be made for an *aperçu* which sums up the difficulties of democracy by saying that the equality which it presupposes politically will infallibly lead to a craving for the equality of other conditions, in view of which universal suffrage should follow universal education, and its corollary universal property. The English reader will notice a warm condemnation of the expense of litigation in this country, and an Oxford man may be allowed to regret that the statement that Miss Ramsay and Miss Fawcett studied at his university (vol. ii. p. 60 n.) is incorrect.

With the purely political part of the treatise this review is not immediately concerned. There is much that every student of politics may study to his profit in the chapter on the defects of the parliamentary system and the remedies which have been tried in the United States and elsewhere, and the same is true of the excellent use made of the comparative method in dealing with the fortunes of democracy in the ancient and the modern world. The future, our author is content to say, depends on the moral progress of mankind. He is of those who see the brightest hope in the moral elevation of the individual, rather than in mechanical changes in the form of government, each of

which can be attacked and defended, and the success or failure of which depends so largely on the men who work it. Equality may rob us of liberty, proportional representation, which at one time stirred a faint interest in England, may render government powerless, and the success of American institutions is due to the religious character and spirit derived from Puritan forefathers, for "the more men come to understand that real prosperity consists in doing one's duty and in good living, the better will they be able to govern themselves without the restraints of monarchical power." But all purely political questions, says the writer, are losing their interest, and the public mind is now centred on economical problems, "it is not the distribution of power but of wealth which interests mankind," and with these the political condition of things is connected but slightly. "Luxury is less probable in a republic than in a monarchy—war is likely to disappear as democracy progresses—the distribution of wealth in England will soon give rise to long and destructive civil strife." Aphorisms of this kind, sometimes superficial, sometimes founded on large inductions, might be quoted in great numbers from these volumes. A single sentence in the introduction may serve to sum up their teaching, "The social question and the religious question are the problems which will occupy men's minds in the years that are to come." It may be doubted how far M. de Laveleye has provided an answer to either of these "questions," but, at any rate, he has given us a considerable amount of material for reflection.

L. R. Phelps.

PUBLIC FINANCE. By C. F. Bastable, LL.D., Professor of Political Economy in the University of Dublin. [672 pp. 8vo. 12*s.* 6*d.* net. Macmillan, 1892.]

A London bookseller, well known to buyers of old economic books, brought out one of his catalogues in the middle of the general election. The result has led him to adopt a very strong opinion in favour of holding all the elections on the same day. The work now before us appeared at the same unfortunate time, and has, consequently, received rather less attention than it deserves. The injury is not likely to be permanent. Mr. Bastable already occupied a very high place among English, or, to speak more accurately, British and Irish economists of the day, and these 672 goodly pages are thoroughly worthy of his reputation.

The work is divided into an introduction and six books, the first of which deals with public expenditure, the next three with revenue, the fifth with debts and additions to public property, and the sixth

with financial administration and control. To spend money and to run into debt are easy enough, and financial administration and control are somewhat technical matters, so that the ordinary reader will find his chief interest in the three books on revenue. The "economic or quasi-private receipts" come first, in Book II.; "the principles of taxation" follow, in Book III., and "the several kinds of taxes," in Book IV. It is interesting to observe that, though Mr. Bastable's sentiment is evidently a rather conservative one, he relegates Adam Smith's famous canons of taxation to an appendix, and only devotes a very small space to the old questions about the incidence of such vain imaginations as a "tax on wages," a "tax on profits," and a "tax on rent." It is, indeed, high time that discussions of this kind gave way to the consideration of the incidence of actual and possible taxes.

So far as he can be said to take a side, Mr. Bastable favours the old rule, that taxation should be in proportion to income. The case for progressive taxation certainly does not gain anything from his way of putting it. He quotes two scales which are obviously absurd, as the rate of taxation progresses so rapidly in them as to deprive a millionnaire of the whole of his income, and he does not say that it is easy enough to construct a scale in which the rate, though always progressing, would not rise to more than a moderate amount on any existing or probable income. He makes a difficulty of the fact that progression requires the ascertainment of individuals' incomes, and does not point out that the English income-tax requires this ascertainment, not only in the case of many individuals who are exempt, but also in the case of the four hundred thousand who obtain "abatement," and who presumably form the great majority of income-tax payers. He implies that the establishment of a progressive scale would necessitate the abandonment of the present system of deducting the tax, so far as possible, at the source of income, and does not observe that both exemption and progression already exist, and are not found incompatible with deduction of the tax at the source of income. He denies the productiveness of progressive taxation, without giving any reasons for his opinion, except that taxes on the luxuries of the rich are unproductive, and without referring to the returns of the death duties, which suggest a contrary conclusion.

The question whether a tax falls on capital often occurs in Mr. Bastable's pages, but he rightly attaches much less importance to it than some of his predecessors, seeing that it is only in the rarest of circumstances that taxation actually reduces the already accumulated capital of the country, and that every tax must have more or less tendency to reduce the annual additions to this capital. If we pursue

the line of thought suggested by Mr. Bastable a little further, we get some curious and rather paradoxical results. How much any particular tax will diminish the annual savings of the nation, must depend very largely on the proportion between the income and expenditure of those who pay it. Increase the taxation of a man who already lives up to his income, and he will almost certainly reduce his other expenses: the tax will fall on income. Increase the taxation of a man who lives much below his income, and it is highly improbable that he will alter his other expenditure; he will simply save that much less, and the tax will fall entirely on capital. Now, as a general rule, income bears a much larger proportion to expenditure in the case of the rich, than in the case of the poor. Consequently, the "hardship" of taxation and the extent to which it falls on capital vary inversely, and, if we wish to avoid taxes which fall on capital, we should tax the poor rather than the rich. We find a partial escape from this conclusion in taxing persons of all degrees of wealth, in respect of luxurious consumption. Those whose luxurious consumption is large, whether rich or poor, are less likely to be making large savings than the more frugal. We may be pretty sure that the drink taxes fall chiefly on income. If £10,000,000 of the taxation on wines and spirits were remitted, it is improbable that the present payers would save £5,000,000 more than they do.

The weakest portion of Mr. Bastable's work is his treatment of local finance. Regarding general and local finance as parts of a single whole, he undertakes to examine "the principal features of local finance each in its appropriate place—local expenditure in Book I.; local taxation in Books III. and IV., and local indebtedness in Book V." The omission of Book II. (quasi-private receipts), and Book VI. (financial administration and control) in this enumeration is unexplained, and is the more curious because, though Book VI. really contains nothing about the administration and control of local finances, Book II. deals at considerable length with the quasi-private receipts of local authorities. Now, it is very doubtful whether the plan of treating local finance as a mere subdivision of national finance, even if consistently carried out, can lead to any very satisfactory results. A "country" may be only a large "locality;" but where, as in Europe, the peoples of different countries are divided by differences of language, historical animosities, and a hundred other obstacles, the incidence of burdens imposed and benefits conferred by the State must be very different, according as these burdens and benefits are national or "local." It would be quite possible to impose, for some useless purpose, twice as high an income tax in France as in Germany,

without depreciating the value of immovable property in France as compared with the value of immovable property in Germany; but to impose, for some useless purpose, twice as high an income tax in Leeds and Bath as in Bradford and Cheltenham, without depreciating the value of land and buildings in Leeds and Bath as compared with the value of land and buildings in Bradford and Cheltenham, would be obviously impossible. If any one finds local taxation burdensome, it is always open to him to go and live in the town of Kirkcudbright, which is so rich that it has no rates.

The press reader and the author must divide the responsibility for the following errors of the press and pen:—"Deckker," p. xiii.; "Dekker," p. 21; "a' emprunts," p. 6, note; "security," p. 161; "Intestate Commerce Act," p. 196; "cheek demand," p. 344; "4" for "1," p. 345, note; "schedule," p. 385; "rates" for "rentes," p. 567, note. On p. 398, "consul Egerton" probably means the Mr. Edwin Egerton who is secretary to the British Legation in Paris. In the table of "expenditure," on p. 121, it is not stated whether the subsidies from imperial to local funds are included under central or local expenditure or, which would of course be erroneous, under both heads. It would not be worth while to point out these trifles in a work which would never reach a second edition. But *Public Finance* is not a book which will be readily superseded, and it supplies an urgent want. Henceforward all those who make financial proposals, and their name is legion, will be obliged to profess an acquaintance with Mr. Bastable's work, and to endeavour to fit their ideas into some more or less general scheme of finance.

Edwin Cannan.

ENGLISH TRADE AND FINANCE CHIEFLY IN THE SEVENTEENTH CENTURY. By W. A. S. Hewins, B.A. [xxxv., 174 pp. 2*s.* 6*d.* Methuen. London, 1892.]

This little book is based upon courses of "University Extension" lectures on economic history delivered at various places by Mr. Hewins. It aims at "supplementing from contemporary authorities the larger works which are usually read by the students" attending such courses. It includes an introduction in which Mr. Hewins "points out the general character of the economic writings of the seventeenth century" and some aspects of the growth of the theory of the balance of trade. Particularly useful and, to most readers, quite novel is his accurate summary of the economic writings of Malynes and Misselden, the representatives of the two chief aspects of the controversy as to foreign exchanges. Mr. Hewins points out as specially noteworthy the

influence of the idea of "natural law" on the doctrines of Malynes, who based his economic arguments upon this conception almost as completely as the leaders of the Cromwellian army based upon the same idea their claims to drastic political reformation. The introduction is in parts rather hard reading, but it is well worth the effort to master it.

The mass of Mr. Hewins's book is taken up by five chapters dealing with very different themes. Mr. Hewins first discusses the history of Monopolies, for the most part closely following the more detailed labours of Mr. S. R. Gardiner. Then follows a rather unsystematic chapter called "the Monopolies and Modern Industrial Changes," which is little more than a history of some aspects of the iron trade. It is worth noticing that furnaces were to be found in the Weald iron district later than the reign of Queen Anne, which Mr. Hewins mentions as the time of the extinction of that industry. Next follows a chapter on the "Trading Companies," in which, despite an occasional confusion of expression (for example, on p. 36), a great deal of valuable information is clearly imparted, though it is not impossible that Mr. Hewins's modern love of free trade leads him rather to under-estimate the benefits done by the Trading Companies to English commerce. The next chapter, on the "Working Classes," is the longest and best in the book, and is certainly the most interesting and readable. While largely following Mr. Thorold Rogers, Mr. Hewins's own well-directed researches have enabled him to use a large number of new wages-assessments by the justices of the peace, which further illustrate the rates of wages during his period. His remarks on the rate of progress during his period, his views as to the effects of the Statute of Apprentices, his attempt to illustrate a craftsman's life by a picture of the Staffordshire domestic industries seventy years ago, are all deserving of great commendation. So, also, is his effort to illustrate the interconnection of various classes of the community by tracing in an appendix the history of a middle-class family through several generations. Most historians will agree with him that it would be a good thing, did the middle and lower classes show a little more interest in genealogical study. The last chapter of the book deals with "Three Commercial Treaties"—the Methuen Treaty of 1703, the abortive commercial clauses in the Treaty of Utrecht, and Pitt's famous French Treaty of 1786. Perhaps more might have been made of Methuen's epoch-making negotiations, and the whole chapter loses somewhat in vividness from being so completely divorced from the political history of the times. But except in one or two cases (for example the repeated reference to a commercial treaty made by England with Portugal eight years before the revolt of the latter country from Spain), Mr. Hewins's general history is quite

sound. There is an excellent index, and some useful appendices of statistics.

The whole book bears witness to the thoroughness, care, and zeal of Mr. Hewins for his subject. If this be the sort of teaching provided by the University Extension Lecturer for his audiences, there need be no fear as to any superficiality or want of solidity in his instruction. The information collected is accurate and often novel. The story is told clearly and sensibly, and the general economic and historical teaching of the book is thoroughly good. We may expect Mr. Hewins to do still better and more detailed work on the economic history of the seventeenth century.

As a piece of careful work the book has very few faults. There is an occasional obscurity of expression, and some want of vivacity of style. But these are not very important, though they may make the book less easy to read by the more indolent of those to whom it is addressed. I should rather complain of some want of system in the whole plan of the work. The individual chapters are good enough: but there is a considerable want of coherence between them, and the whole volume rather resembles a collection of detached essays than a single book on a single subject. Valuable as are Mr. Hewins's efforts to illustrate the seventeenth by the nineteenth century, they occasionally lead him far away from his subject. I should have preferred the book to have been a more systematic exposition of seventeenth century economic history. It may also be objected against it that it presupposes a rather larger knowledge, both of general English history and of modern economic doctrine, than can be expected from a very large class of readers. Moreover, Mr. Hewins has sometimes that bad trick of allusiveness which is perhaps the most fatal of all faults in a popular work. But no doubt Mr. Hewins best knows his public. If there be a large class able to assimilate with profit so thorough a piece of work as this, without rebelling at its hardness, its occasional dryness and disregard for charms of style and expression, it is all the more testimony to the progress made by the movement which has been the immediate cause of the production of the book. Anyhow, Mr. Hewins has made good his claims to be a serious worker in economic history.

T. F. Tout.

THE FALLACY OF SAVING. By John M. Robertson. [146 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

"The strongest part of every philosophy is its destructive side." Many readers will find that Mr. Robertson's contribution to social philosophy is a fresh illustration of the trite remark. It is not merely

that he partly carries us with him in his criticisms, and that he wholly fails to do so in his constructive argument ; but the part of the work devoted to the criticism is altogether out of proportion in its bulk and elaboration to the part wherein the constructive position is expounded. Mr. Robertson's criticism on the "saving fallacy," if exaggerated, is brilliantly written, learned, and extremely amusing. His own position is rather thrown out or suggested in the course of the criticism than clearly set before the reader in black and white ; and, in the latter part of the book, occupied with a comprehensive scheme of social reconstruction, he is continually referring back to an argument which one really fails to discover. I can only regret that the exposition should be so inadequate to the establishment of so important and revolutionary a thesis as that which Mr. Robertson sets himself to prove.

The destructive part of the book consists in a refutation of the theory that unlimited saving resulting in unlimited production is economically advantageous to a community. It is obvious, the moment the question is clearly stated, that, if all saved instead of consuming, there could be no demand, and consequently no employment for the unlimited accumulation of products resulting from the investment of the universal savings : either goods must go on being produced from which nobody derives any benefit, or the production must cease and labourers be thrown out of employment.[1] The only way in which such a consequence could be avoided would be by the concentration of all productive energy upon the necessaries for which alone, in a universally saving community, there could be any demand ; and the only way in which such an increasing production of necessaries could be utilized would be by an enormous and progressive increase of population. That a thesis which admits of such an easy *reductio ad absurdum* should have been seriously maintained (sometimes with, sometimes without qualification or inconsistent addition) by economists of the highest repute is a striking illustration of the enormous force of tradition and authority over human belief among the class most in the habit of priding themselves upon their emancipation from prejudice and addiction to habits of severe and colourless reasoning. If he wishes to satisfy himself that such has been the case, the reader must be referred to Mr. Robertson's citations from Adam Smith and his successors.

So much for destruction. But before Mr. Robertson's abstract correction of the traditional view can touch the practical teaching

[1] It is true that the savings might all be applied to the production of machinery, roads, etc., for future production, which would create demand for labour ; but a community which never consumed would hardly go on indefinitely providing machinery to be used by a consuming posterity.

founded upon it, he has got to show that saving has been, or is in the least likely to be carried to this speculatively possible excess. This he has not done—has not even attempted to do. From the proposition that unlimited saving without consumption would be socially beneficial to the advocacy of unlimited consumption without any saving at all, there is a considerable leap. I must confess myself wholly incapable of summarizing the argument—so far as any connected argument can be found in these pages—by which Mr. Robertson attempts to pass from one position to the other. There is much very reasonable insistence upon the possibility of over-production, and the harmful effects of "gluts," underselling, and speculative production. There is a weighty discourse upon the true definition of "capital," in which Mr. Robertson insists "that the nominal mass of secured capital represents simply *claims to wealth* or *power to buy services*," not actual coin or actual goods; and much fair criticism upon the optimistic justification of idleness subsisting upon interest according to the "reward of abstinence" theory. But all this does nothing to establish the author's fundamental thesis. Mr. Robertson's inference from his doctrine of capital is that "mere mutual trust, as between producers, will lead to the creation of fresh capital in the concrete form of plant and stock" (p. 90[1]). I am bound to say that the idea of workers engaged upon the production of machinery (which at present produces nothing) living upon "mutual confidence" reminds me a little of the islanders who earned a precarious livelihood by taking in each other's washing. If the workers are fed, they must be fed by other people, whether bloated capitalist, or fellow-workmen, or the community, "abstaining" for a time from something which they might have consumed. How, under the present industrial system, this food is to be supplied without somebody "saving," I fail to understand; and yet, even as things are, Mr. Robertson does maintain that the consumer of luxuries —in whatever quantity—does what is socially better than the saver and investor of money. It is true that the scheme of social reconstruction to which his argument is intended to lead up does involve a considerable amount of socialistic State interference. Mr. Robertson's ultimate object is to show, "(*a*) that as consumption cannot be indefinitely increased in quantity of each product for each individual, the ideal must be in the main one of rising quality—the consumption of things and services which are not mechanically facile of production" [especially, as is afterwards explained, works of art and similar "higher services"]; "and (*b*) that as such raising of the standard of consumption is

[1] It is fair to say that this is part of a sentence, the rest of which I cannot quite understand.

impossible among a blindly multiplying population, the limiting of families is indispensable to the proposed transformation" (p. 90).

Further, the proposed transformation involves as its condition a State-pension system which will have eventually to be carried out on such a scale as to abolish altogether the national curse of "saving," the speedy extinction of the national debt by taxes upon income and capital, extensive public works to provide for the labour displaced by the reduced expenditure of the paid-off Fund-holders, etc., etc.

In spite of the extravagance of its thesis, and the missing links in the arguments by which it is supported, the book is worth reading, and is not without a certain suggestive value. I may add, that, strongly opposed as I am to much of the Neo-Malthusian creed, I am not prejudiced against the book because it explicitly raises the population-difficulty.

H. Rashdall.

THE EFFECTS OF MACHINERY ON WAGES. By J. Shield Nicholson, M.A., Professor of Political Economy in the University of Edinburgh. [143 pp. 2*s*. 6*d*. Sonnenschein. London, 1892.]

This is a reprint for the *Social Science Series* of the essay which gained the first Cobden Prize given by the University of Cambridge. Fourteen years have elapsed since its first publication; but the writer has contented himself in the new edition merely with an attempt to bring the facts up to date, leaving the structure of the essay as it originally stood. Professor Nicholson justifies himself in the preface for departing from the example of his predecessors and dwelling on the disadvantages rather than on the advantages of machinery in manufacture. He points out how "the inevitable result of a system of large industries" has been great fluctuations in prices, and consequently in wages; although he is inclined to think that in his former edition, in common with popular opinion, and in opposition to official statistics of the Labour Representative of the Board of Trade, he was tempted to exaggerate the irregularity of employment. But in any case, he sees most clearly that in a discussion of the temporary displacement of labour by machinery, the effect of such temporary displacement "must be interpreted in reference to the general position of the labourer." Again, we are shown that, contrary to the general supposition, "the use of even simple machinery involves both technical skill and general intelligence"—so much so indeed, that, "on the whole, far greater skill is required now than formerly;" of which fact the general sense of the importance of technical education is sufficient

proof. It would have been a valuable addition to the argument had the writer gone on to explain how the original outcry of popular writers and orators against the introduction of machinery as harmful to the skilled labourers was entirely falsified, and that those really injured were the duller and purely mechanical workmen, who were too old to learn a new trade, and for whom there was no resource but charity, whether of the State or of private individuals. The intelligent workman is intelligent by virtue of his greater versatility and adaptability, and therefore turns his hand more readily to some new craft, or branch of a craft. Moreover, the growing division of labour due to machinery causes a continually increasing number of similar machines to be used in different trades, and renders it even easier for the skilful workman, who may be thrown out of his own employment, to obtain work in a different though sufficiently analogous occupation. These considerations do not alter the argument of Professor Nicholson's book. They only strengthen some of his more hesitating deductions, while they help us to realize more clearly the truth of his remarks on the disorganization of the labour market, which renders possible that over-production whose possibility economists so strenuously deny, and which has hitherto enabled the capitalist to reap the chief benefits from the introduction of machinery.

D. J. Medley.

RELIGION. Par G. de Molinari. Redacteur en Chef du *Journal des Économistes.* [260 pp. 3 fr. 50. Guillaumin. Paris, 1892.]

It is right to notice this book in the *Economic Review*, because it is written to show the relation of religion to political economy. It seeks to prove that religion has always been a great civilizing agent, but that the work of religion has always been crippled when State protection has enabled any one religion to exclude the competition of others. The writer is in fact pleading for free-trade in religion, as in other works he has defended it in the economic sphere. His practical conclusion is to recommend the abolition of the religious budget, and "a separation of Church and State, made not against religion, but in favour of religion" (p. 183), and consequently in favour of civilization.

The first chapters trace the beneficent action of religion as man rises, according to the writer's view of human development, from fetichism through polytheism to Judaism, and finally to Christianity. And the verdict is, that without the religious sentiment the human race "would not have risen above the level of other species of animals. For religious faith establishes and maintains, with marvellous success and the minimum of cost, that order without which no society can exist,

and which to all appearance the temporal power was unable to enforce" (p. 32).

In our own day (chap. xiii.) we are involved in a grave social crisis. Material progress has been extraordinary; but men have not advanced equally in happiness, because there has not been moral progress. The individual has gained his freedom and has abused it; governments, through selfishness and incapacity and dishonesty, are crushing the nations with protection and militarism. The social misery, therefore, is due chiefly to moral causes—ignorance of the duties implied in the government of self or of states, but most of all, want of moral force to fulfil those duties. How are these hindrances to be overcome? "To enlighten the conscience is the business of political economy, to arm the conscience is the business of religion." But this task of religion is hampered by its connection with the State. The rivalry of different parties is what Christianity requires for its health, and the Church should ask for no more defence than a secure title to its property.

Thus does another economist of weight and name declare that our modern distress is a moral sickness, and that only in religion can be found a remedy powerful enough for its cure.

But, as the title denotes, this is a book mainly about the religion which is to be the ally of political economy. To talk of religion in the abstract, M. de Molinari sees would be useless. The engine, therefore, to be used is Christianity; but he gives an account of our faith which Christians could not accept.

1. We believe our faith to be true; but here we learn that Christianity is on a level with all other religions in being the natural outcome of the epoch in which it appeared. "The God of Christianity answers, to speak generally, to the ideal then held of the head of the State; . . . The punishments He inflicts are borrowed from the arsenal of the penalties of earthly justice," etc. (p. 56). It is just the best religion there happens to be.

2. We think that Christianity conquers and must conquer because it is the truth. M. de Molinari cannot hold this so unreservedly, and finds the secret of its triumph first in the moral advantage that it alone proclaimed an unselfish God, second in the material advantage that it was cheap. Not for the present to discuss the first, it may certainly be questioned if there ever has been a system which has dared to tax its adherents so freely as Christianity has done. While the poor have been attracted by its beneficence, men with means do not appear to have entered the Church to save their pockets. Nor should we agree that the fact that "propagandism contributed to their means of subsistence" (p. 63) was one which weighed much with the apostles. In other

instances also the writer would seem to exaggerate the dependence of religion on economic conditions.

3. M. de Molinari believes that "human actions are always determined in final analysis by the motive of pleasure or of pain" (p. 140). "The [Christian] believer obeys a pure sentiment of love for a Being infinitely powerful, just, and good, . . . but this sentiment is none the less founded at the last analysis on the power we attribute to the divine Being to dispense to His creatures an eternity of happiness or of unhappiness, of pain or of pleasure." This is to resolve Christianity more than we like into a utilitarian philosophy.

4. "It is science which enlightens the consciences; it is religion which arms them with the force indispensable" (p. 181). Hence apparently religion is subordinated to general progress, *e.g.* the progress of machinery (p. 161); and it has no message to "the best of the human race, [in whom] the moral sense is sufficient for its task without any auxiliary" (p. 141). We, on the contrary, regard Christianity as the great enlightener of the human race, to whom all men must come to learn the meaning of life: also we think the best men have been, not the least, but the most religious.

Perhaps the general criticism would be that M. de Molinari feels the immense need of a religious appeal to move the masses of men, and would point his countrymen to Christianity as the highest religion, and the one ready to hand; but when he comes to expound this faith, he speaks as one who has studied it from without, and that is a treatment of which Christianity, among all branches of study, is least susceptible.

J. O. Nash.

DIRITTO SOCIALE. By Avv. Pietro Pellegrini. [360 pp. 8vo. 5 fr. Vannini. Borgo a Mozzano, 1891.]

Amid the battle of the giants it is refreshing to meet with a book which emanates directly from neither of the opposing schools, and which attempts an independent solution of the much-discussed social problem. Sig^r^ Pellegrini is neither an Individualist nor a Socialist; he is a "Personalist." Individualism is, in spite of Herbert Spencer, treated in a great measure as an imperfect and exploded creed; and many of the evils that are at present crying aloud for redress are attributed to it and its corollaries. Founded on a partial analysis of man's being, it could not but work unsatisfactorily. The private appropriation of those "fountains of nutrition" which were granted by nature for the support of all, has resulted in the subjugation of countless numbers of mankind and their dependence on a few. In such a

condition of things the famous "rights of man" remain inefficacious; a new slavery has but replaced the old; and a fresh Rousseau might again utter his lament, "Man was born free, but is everywhere in chains." There is in the book—and especially in the passages that describe the lot of the worker and his exploitation by the landlord and the capitalist—much that will delight the heart of the Socialist; and yet Sig[r] Pellegrini is no Socialist. The right of testation is retained and its justice defended: open competition or the verdict of the market is left as the ultimate arbiter on many vexed points; and, in a spirit quite worthy of Hobbes himself, the advantage, nay the necessity, of egoism in business relations is insisted on, together with the capricious injustice that would be wrought by altruism. Above all, a firm and uncompromising opposition is offered to any sweeping collectivism that would abolish individual appropriation, the only means by which fresh social utilities can be realized and won, and would, by elevating society into some mysterious, fictitious entity, impose a yoke as despotic and crushing as that of any Nero or Grand Monarque. The aim of the Socialist is a chimera, and the absolute equality at which he so often aims a dream.

It is tedious, and to the unphilosophical English mind unnecessary, to follow Sig[r] Pellegrini through all the metaphysical, psychological, and juridical depths to which he has descended in laying the foundations of his economic theories. Private property being necessary, the Platonic distinction of reality and manifestation is fastened upon as the basis of an important limitation of it. Only the form, the particular manifestation given to things, ought to be subject to individual appropriation—not the things or natural forces and agencies themselves, which are heaven's gift to men at large, and not to particular individuals. The creator has a just title to what he creates; but the human being does not create the substratum, but merely the phenomenon or form superinduced and utility extracted; and so his ownership should last only as long as that form or utility endures, and no longer. Upon the exhaustion of the product or evolved value, which inevitably takes place sooner or later—*πάντα πέφυκεν ἐλασσοῦσθαι*,—the original thing or agency itself returns to the domain of nature, and awaits appropriation by another person who is able to educe a fresh utility from it. Naturally, when judged by such a standard, most existing types of land ownership are at once condemned, for in them the substance, and not the form only, has passed into private possession, and rent is paid *in perpetuum* to a landlord, who has no actual or immediate connection with the land, who has been compensated many times over for any value he may have added to the soil, and who is

now living by the sweat of his tenant's brow. The corollary easily follows that only terminable rents are justifiable, and that, after a fixed period, the occupier should become the owner, and should remain so till he has fully enjoyed the utilities produced by himself, after which the natural agency is no longer subordinate to him, but becomes *res nullius*. The principle "Che ciascuno avrà tanta proprietà quanta ne seppe creare" is narrowly and stringently carried out, but is never transcended; and throughout property is recognized only in the form or qualities created—never in the substratum or substance.

Such a theory, however beautiful ideally, is practically open to grave objections. The logical opposition of substance and form is scarcely a firm, sure basis whereon to rear a heavy economical structure; its abstract character and the relativity of the terms render it a foundation of sand. What pope of economics can declare precisely what is substance and what is form, or can in any industrial operation accurately determine what is due to nature and what to man? It was this difficulty, this impossibility of separating things from the attributes of things, that led the more practical English philosopher to defend private ownership, on the ground that the individual "had mixed his labour with the soil," and so made it his own. Further, troubles would arise, especially with the egoistic instincts which Sig^{r} Pellegrini recognizes in man, with respect to the right of using or transforming natural forces and agencies. Why should one individual, simply by the fact of being first in possession, exclude a second? Nay, the second may be able to create many more utilities, and so benefit society to a much greater degree, than the first, and ought he not to be given the opportunity "to scatter plenty o'er a smiling land"? If the first is treated merely as a cumberer of the ground, and summarily ejected, the condition of things that would ensue would scarcely be one of universal peace and security; but if compensation is given, then we should get a *régime* similar to the present, when a sale is effected simply because the utilities the buyer expects to extract are greater than the utilities actually extracted by the vendor, the only difference being that we should speak of disposing of the forms or created qualities of the land instead of the land itself.

The existing system of interest is also roughly attacked. Evidently capital, like anything else, is exhaustible, and the lenders, like the landlords, do nothing to prevent or repair the exhaustion; "they toil not, neither do they spin," and yet, absurdly enough, they levy a tax upon the product *ad infinitum*. In fact the borrower, by returning merely the principal intact to the capitalist, has done him a kindness, and may with justice bid him "take that is thine and go thy way."

Thus Sig^r^ Pellegrini, if perfectly consistent, would follow the example of Karl Marx, and condemn the payment of interest altogether. Such, however, is not his position. Affirming that the payment of interest is necessary to induce capitalists to lend their capital, yet he would, by a usury law or otherwise, impose an arbitrary limit of time, and would, as in the case of rent, eliminate the owner by the payment of terminable instalments. The exact amount to be paid in excess of the principal is apparently to be determined by the market—by open competition. But this is the present determining influence, and thus Sig^r^ Pellegrini's supposed solution leaves the problem just as it was. In truth he has underrated the importance of one of the terms of his own dualism of persons and things. If things are valueless without constant labour bestowed on them, it is equally true that persons are economically valueless without objects on which to bestow their labour. Nor in the case of rent and in the case of interest do the tenant and borrower pay every year such a sum as represents the full value of the land and capital to them; they pay less than that by an amount which will compensate them for the reparation they have effected in the owner's substance. Otherwise it is scarcely clear why they should continue to farm the land or trade with the loaned capital. To reason that the occasional occurrence of bankruptcies and repudiations of debt proves the necessity of abolishing or reforming the current ideas about interest is hardly worthy of Sig^r^ Pellegrini, and is about as sensible as to argue that, because some persons are immoral, we ought on that account to remodel our notions of morality.

From a practical point of view the chief fault of *Diritto Sociale* is its thoroughly abstract and metaphysical character. While the principles of liberty and sociality are discarded as too vague and indefinite, "functionality" is elevated to the vacant place as affording true, plain, and distinct guidance; and with regard to the "labour question," we are told that the vital point, and apparently the sure way of salvation, is to elevate each industrial organization into a personality and treat it as such! Too much space is occupied with a juridical discussion and examination of elementary terms and definitions, in which much tiresome repetition occurs, and also much obscurity, caused by untimely and unnecessary philosophical intrusions. But throughout, Sig^r^ Pellegrini has displayed a commendable independence of thought, and that too in the face of a harassing illness, to which sundry blemishes and imperfections must be ascribed. It is fair to add that economics constitute only one part of a work which is a bold attempt to deal with the *ensemble* of a most comprehensive subject.

G. W. Powers.

THE USE AND ABUSE OF MONEY. By W. Cunningham, D.D., Vicar of Great St. Mary's, and University Lecturer, Cambridge. [219 pp. 2*s.* 6*d.* Murray. London, 1891.]

Dr. Cunningham has contributed an excellent little book to the series of University Extension Manuals, edited by Professor Knight. It is one which should be welcomed, not only by professed students of political economy, but by all who wish for practical guidance in the complicated social questions which are bound up with what we commonly call the relations of capital and labour ; terms which, though essential to scientific discussion, must not lead us to ignore the personal relations of employers and workmen.

The author says, in the preface, "I wish to lay stress on the element of personal responsibility. Much has been written about the duties of landowners, and it seems worth while to say a little about the responsibilities of moneyed men, for the manner in which they employ their capital and spend their income."

The value of the book is enhanced by a useful syllabus, which gives a concise statement of the author's argument, with references to standard economic works.

The book deserves systematic study, and will lead an intelligent reader to seek fuller information than the author professes to supply ; but there are passages which the student, and especially the Christian teacher, ought to popularize and enforce wherever he can. It is greatly to be desired that such wholesome doctrine as that which is contained in the following paragraph was more often heard from the pulpit : "Current opinion is inclined to ignore degrees of responsibility, and is satisfied with denouncing the agents through whom any hardship is wrought, without considering sufficiently where the ultimate responsibility lies. There are plenty of people who go looking for bargains, and purchase their furniture or their clothes at prices that ought at least to suggest that there is something wrong somewhere about the means employed for producing such goods. It is all very well to denounce sweating, but those who do so ought to be perfectly clear that their own hands are clean, and that their preference for cheap goods does not encourage dealers to cater for their requirement, so that they themselves are ultimately, though indirectly, responsible for some of the evil they deplore" (pp. 156, 157).

There is a responsibility resting on individuals in proportion to their knowledge and opportunity. We can all do something by precept and example to prevent that kind of oppression which is rightly attributed to society as a whole, rather than to an individual employer of labour who pays the current rate of wages, and who really stands between

the public who employs him by buying his goods and those whom he employs.

Investors would do well to study the interesting chapter (pt. 2, ch. vii.) in which Dr. Cunningham deals with the flow of capital and the machinery of investment. The Stock Exchange is a mysterious institution, and is regarded by many good Christians with not unmerited suspicion. It would be well if we were able to distinguish clearly between its useful, and, in fact, essential services to society, and the wholesale gambling, which is at least as corrupting to those who take part in it as the green tables at Monte Carlo, and which may inflict widespread ruin on the innocent victims of some entirely selfish operation.

Dr. Cunningham says, truly enough : " It is undoubtedly an enormous social advantage of a practical character that there should be easy means of transferring capital to those persons or places which can make it most serviceable, and those who are therefore best able to pay for it. . . . But while these advantages are fully recognized, and while they appear to outweigh any serious evils that accompany them, it is yet worth while to remember that there are accompanying disadvantages of a practical kind " (p. 97).

Perhaps the most striking parts of Dr. Cunningham's book are those in which he shows how inadequate is that theory of life which ignores all but material considerations. Probably we hear enough, and more than enough, nowadays of the evil of misdirected charity, and it is refreshing to find in a really scientific author such sentiments as these : " Indiscriminate charity is good as far as it goes : it shows a real if a somewhat spasmodic sympathy with suffering. . . ." Of course, Dr. Cunningham points out the dangers with which the Charity Organization Society has made us familiar, but he adds : " Misdirected charity may do harm ; it may encourage dishonesty, and hypocrisy, and idleness, and all sorts of evils. But the one who stays his hand until he is absolutely certain his charity is well directed, and cannot do any possible harm, will not find that he responds to many calls. Charity hopeth all things, and there are many cases in which the sufferer may well have the benefit of the doubt " (p. 217).

The concluding paragraph on the debt which society owes to ascetics and saints no less than to inventors and discoverers, reminds me of a noble sermon preached by Dr. Liddon, in the great church over which Dr. Cunningham presides, on that text which is sometimes thought to be wholly inconsistent with political economy : " If any man will come after Me, let him deny himself, and take up his cross daily and follow Me."

M. C. Bickersteth.

THE SOCIAL HORIZON. By the Author of *Life in Our Villages.* [163 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

This new volume of the *Social Science Series* is of considerable present interest, and deserves to be widely read and digested. It is the outlook of a writer who views the tendencies of to-day from a practical standpoint, not as a scientific economist; he expressly disclaims connection with any school of socialistic thought, but arrives, by his own course of reasoning, at predicting a state of things which is practically collectivism pure and simple.

This inductive method of treatment, based on an array of facts well selected and admirably ordered, is more likely to carry the reader along with it than the construction of a pure theory.

The writer, while thus pointing out to his readers the goal to which all the modern development of industry is tending, is in no hurry to have what he foresees come about. He is anxious not so much to advocate measures tending to a collectivist Utopia, as to make people see to what end, as a matter of fact, things are tending. No doubt this is wise. Construction will be easy if only obstruction can be got rid of; and if this book does anything to enlighten the eyes of those who cling blindly to a fading system, or remove the dead weight of drag that is put on the wheel of social progress, its work will be a good one.

The writer makes a special appeal, again and again, to the Christianity of the day, to transfer its influence from the side of obstruction to that of social progress, and points out with considerable force how this social progress is also a progress towards the more perfect realization of the Christian ideal.

Churchmen will probably rub their eyes with astonishment when they are told that there is now in religion "an almost complete collapse of dogmatic theology:" however true it may be of Nonconformity, it is ludicrously untrue of the Church. They will agree in recognizing "a marvellous development of the sense of practical duty;" but this has not, as the writer suggests, taken the place of dogma, it has mainly, at least so far as the Church is concerned, sprung from it—sprung, that is, from a truer understanding of the doctrine of the Incarnation.

In spite of one or two failures in knowledge or judgment such as this, *The Social Horizon* is a very keen-sighted book, which puts clearly and forcibly what many are vaguely thinking, and what may with great advantage be suggested to a far wider circle.

W. H. Frere.

SHORT NOTICES.

CONDITION OF THE WORKING CLASS IN ENGLAND IN 1844. By Frederick Engels. [xix., 298 pp. 2*s*. 6*d*. Sonnenschein. London, 1892.]

This book is a translation of a work originally published in 1845. The author has prepared a new preface, in which he reviews briefly the course which events have taken since he first wrote. The chief interest of the work lies in the comparisons which it suggests, for the actual information it contains will be more naturally sought in blue-books and other official publications. The change has doubtless been great, both in feeling and in action. In 1845 the principles of deductive political economy were almost universally held to be a true interpretation of the actual facts of life. Competition was running its course unchecked, the factory system was getting itself established in all industries, the demand for English goods was rapidly increasing, profits were high. On the other side, we must remember that sanitary science was in its infancy, that the conditions of life were hardly taken into account at all; wages were low, and the working class, in Rousseau's phrase, "everywhere in chains." The detailed facts which establish these positions are set forth at length by Mr. Engels.

But all readers will turn at once to the new preface, in which the writer estimates the value of the changes which have taken place. A note of disappointment is heard throughout. The working class ought to have taken far more summary measures; it ought to be seething in revolt against the existing order. Surely, the fact that it is not should have suggested to Mr. Engels that his treatment of the subject requires revision. Improvement, such as it is, he traces mainly to the awakened self-interest of the *bourgeoisie*. This class has discovered that fortunes are not made by paring down the wages of labourers, and that a certain amount of sanitation is needed if its members are to be free from epidemics, hence legislation on these points. A second subsidiary cause is found in the growth of trades-unions, which have created an aristocracy of labour, contented with its position, and as clay in the hands of the capitalist potter. The improvement is limited to a small circle: "as to the great mass of working people, the state of misery and insecurity in which they live now is as low as ever, if not lower." This is a half-truth, but not the whole. More interesting, perhaps, are the remarks on the change which is implied by the adoption of protection so widely abroad, and the loss consequently of

the foreign market. The results of this process are briefly stated. "It ends in a deadlock. Every year England is brought nearer face to face with the question: either the country must go to pieces, or capitalist production must." It is not difficult to anticipate the answer, it is that Socialism will come to the front, and a new industrial revolution take place. It were much to be wished that Mr. Engels had given himself more space in which to establish the wide generalities in which he indulges on this and some other topics; as it is, his words fail to carry conviction with them.

THE COMMERCIAL POLICY OF THE BRITISH COLONIES AND THE MCKINLEY TARIFF. By Earl Grey, K.G., G.C.M.G. [79 pp. 1*s*. Macmillan. London, 1892.]

The object of this pamphlet is to induce the British Colonies, and Canada in particular, to abandon their general attitude as advocates of protection in favour of free trade. The writer points out how the English Commercial Treaty with France, in 1860, was an adoption of the principles of reciprocity as against the pure free-trade attitude of 1846, and how, originally, the colonial legislatures were at their first grant forbidden to impose "differential duties on goods imported." The body of the pamphlet is devoted to a vigorous though somewhat prolonged attack, alike on the party of the late Sir John Macdonald in Canada, which advocates reciprocity in the relations of the Dominion towards the United States, and on that body—small, we may trust—of which Mr. Goldwin Smith has constituted himself the spokesman, and which looks to commercial union with the United States as the first step towards political absorption. Perhaps the strongest argument addressed to the Canadians is one based on the enormous prevalence of smuggling on the frontier of the Dominion and the States which must follow the adoption of free trade by the former, and which might, in the end, compel the States to open their northern frontier to the free entry of Canadian products. The prognostications of an early cessation in the prosperity of the United States have, at any rate, the merit of boldness. Meanwhile, the *Times* quotes the Canadian Minister of Finance as showing that, despite the McKinley tariff, the commercial prosperity of the Dominion has suffered no check, and that, therefore, there is no reason to modify its commercial policy as regards the States. Under these circumstances, it is to be feared that Lord Grey will, for the present, speak to deaf ears.

THE CONDITION OF LABOUR: An Open Letter to Pope Leo XIII. By Henry George. [195 pp. 2*s.* 6*d.* Sonnenschein. London, 1891.]

It is not necessary to accept the Single-tax Theory in its entirety in order to be able to admire Mr. George's lucidity as a writer, and his conspicuous moral earnestness—both sterling qualities which characterize the book before us. Mr. George rests his appeal to the Pope for "the judgment of religion," on the fact that he believes that the social question is at bottom a religious question, and therefore declines to base his scheme on purely economic grounds as a mere reform of taxation. To effect the "far-reaching revolution" at which he aims, he depends, and quite rightly depends, upon the "religious conscience" rather than upon "enlightened self-interest." But it is a matter of history that the individual "religious conscience" sometimes goes astray when it attempts universal legislation.

Christians are bound to recognize the general principle of the land for the people—"Terram autem dedit filiis hominum,"—and yet may reasonably hesitate to admit any absolute Divine authority for this or that particular system of land tenure. The point which Mr. George has to thrash out with economists and practical statesmen, as well as with theologians, is the expediency of the Single-tax for the well-being of the nations; and, in so doing, he may as well grant moral candour on the part of his opponents.

THE RURAL EXODUS. By P. Anderson Graham. [216 pp. Crown 8vo. 2*s.* 6*d.* Methuen. London, 1892.]

Mr. Graham deserves great praise for the admirable way in which he has fulfilled the modest purpose of this little book. In the first part he gives an instructive picture of the general conditions of village life, mainly the outcome of his own personal experience extended over several years. The second part contains some very suggestive chapters on various methods of supplementing the wages of the agricultural labourer; *e.g.* allotments, dairy farms, fruit culture, co-operative agriculture, etc.

THE ALIEN INVASION. By W. H. Wilkins, B.A.; with an Introductory Note by the Rt. Rev. the Lord Bishop of Bedford. [192 pp. Crown 8vo. 2s. 6*d.* Methuen. London, 1892.]

This is a subject of which many people now recognize the growing importance. Mr. Wilkins argues strongly in favour of the one check on pauper immigration found adequate in other countries—restriction

at the port of arrival. He gives a good *résumé* of the evidence available, and some useful information about the legislation of other countries on foreign immigration.

THE IRISH PEASANT. A Sociological Study. [164 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

Yet another volume has been added to the vast pile of literature on Irish subjects. The anonymous author of this book is obviously incompetent to deal with any of those difficult economic problems which are inseparably connected with the Irish question; neither can he lay claim to any specialized knowledge of the history of Ireland. He is merely a patient investigator, of average intelligence, honest, patient, and fairly impartial, who has taken considerable pains to make himself thoroughly acquainted with the condition of the Irish peasantry. The book is ill-arranged, and its writer tells his plain unvarnished tale without any charms of literary style. He has, however, two special qualifications for his task, viz. practical acquaintance with agricultural subjects, and freedom from political bias. Only when he begins to deal with the subject of education does he show marked partisanship.

The writer is at his best when he is describing the position and surroundings of the Irish peasant of to-day. The chapters which treat of "the resources of the people," "local government," "Irish estates and their inhabitants," "the Irish labourer," will prove valuable to those who are interested in the study of Irish affairs, as they contain a great deal of that kind of information which is not to be found in the works of Justin H. McCarthy and Barry O'Brien, Godkin and O'Connor Morris.

ENGLISH SOCIAL MOVEMENTS. By Robert Archey Woods, Lecturer at Andover Seminary, and Head of the Andover House, in Boston. [277 pp. 3*s.* 6*d.* Sonnenschein. London, 1892.]

This book is obviously intended for the American public, but may find interested readers in England. The author's conclusions, that "the American aristocracy is more powerful and more dangerous than the English;" and that "it can no longer be taken for granted that working men are better off in the United States than in England," may tend to deepen our "insular pride"! Mr. Woods has our hearty good wishes for the success of his work in Boston, which has recently been established on the lines of the University Settlements in East London.

DIGEST OF POLITICAL ECONOMY. By G. Vesian Pick. [156 pp. 2*s.* 6*d.* Sonnenschein. London, 1892.]

This is practically a summary or analysis of J. S. Mill's *Political Economy*, and would no doubt be useful to a beginner. The author's justification for the book is that, "though a considerable time has elapsed since John Stuart Mill gave his *Political Economy* to the world, yet it is an indisputable fact that many erroneous theories exist relative to the plain truths of the science." But those who learn their Political Economy from Mill will scarcely find themselves regarded as free from erroneous theories. It is a commonplace that Mill was better than his theories, but he represents a school of thought, economic and otherwise, which is becoming rapidly discredited, and the "welfare of the nation" which solely actuated Mr. Pick in writing this digest, would have been more advanced by a short popular criticism of some of Mill's "erroneous theories." True, Mill remains on the whole the most popular text-book of the day in Political Economy, but we use him as a point of departure rather than of contact.

GESCHICHTE DES SOCIALISMUS UND NEUEREN KOMMUNISMUS. I^te^ Abth. Saint Simon und der Saint-Simonismus. Von Dr. Otto Marschauer. [viii., 106 pp., 1 m. Fock. Leipzig, 1892.]

The first of a series of ten handbooks to modern socialism, contains an agreeably written biographical sketch of S. Simon, Bazard, and Enfantin, together with a somewhat unfriendly estimate of their work and influence.

ENGLISH SOCIAL REFORMERS. By H. de B. Gibbins. [229 pp. 2*s.* 6*d.* Methuen. London, 1892.]

The biographical method is always an interesting way of teaching history, and now that so much activity is being shown in the study of economic history it is only natural that it should be applied in this sphere. Hitherto, though a good deal has been done in this way in lectures, little has appeared in print, so that we are grateful to Mr. Gibbins for his *English Social Reformers*. The biographical sketches which he has published cover a considerable area of time, from John Ball and William Langland in the fourteenth century to John Ruskin in the nineteenth. At the same time, a slight though continuous thread of history is kept up through the book, and binds the separate sketches more or less into a whole: thus the musings of Piers Plowman lead on to the Utopia of Sir Thomas More, and the efforts of Wilberforce against the slave-trade prepare for a vigorous and stirring

description of the emancipation of the white slaves of England by factory legislation, under the leadership of Richard Oastler, Lord Shaftesbury, and Richard Owen.

The claim of John Wesley to a place in a line of social reformers might perhaps be contested, though Mr. Gibbins may well be pardoned for desiring to give an account of so interesting a life. The same might also be said in some degree of Thomas Carlyle's right to a place ; but no one will dispute the claims of Kingsley and Ruskin, who are the remaining characters chosen for description.

END OF VOL. II.



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